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American

Principles of Classification

*Prepared under the direction of the Advisory Traffic Council
and by the Board of Authors and Contributors of
The American Commerce Association*

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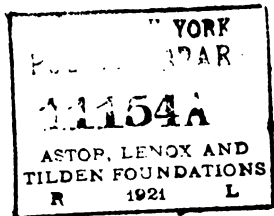
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The American Commerce Association
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PREFACE

CLASSIFICATION OF PROPERTY FOR TRANSPORTATION—FUNDAMENTAL PRINCIPLES.

THERE are approximately twenty-five thousand kinds of goods offered for shipment in this country. It is estimated that there are about a hundred million rates published in the tariffs of the carriers operating in the United States. It is obvious that it would be impracticable, if not wholly impossible, to make and publish individual rates on every one of the various articles shipped, between all points. In order to meet this complex condition, the carriers have found it necessary to classify articles in groups, placing a large number of commodities having transportation likenesses in one class or group, and charging a certain amount per hundred pounds for the transportation of all articles in a defined group or class between any two points.

The Classification of articles is the first factor in determining the cost of their shipment. For this reason the next logical step in studying Interstate Commerce and Traffic Management Work is an understanding of the factors controlling classification. This subject covers all of the essential information required in classifying all classes of goods for shipment to all points in this country and to foreign ports. It comprehends a knowledge of the Nature

PREFACE

of the Articles to be Classified; Principles of Classification; Comparison of Classifications, and the study of Uniform Classification. It shows how to classify a shipment in such a way that it will be entitled to the legal rate in the tariff applying on the shipment. The reasonableness of a class rating and the methods used in determining and making classification groups and rules are taken up fully in another part of the work.

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CHAPTER I.

THE COMMERCIAL TRAFFIC FLOWS.

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 - (12) Seafoods.**
 - (13) Products of Manufacture.**

CHAPTER I.

CLASSIFICATION OF PROPERTY FOR TRANSPORTATION —THE COMMERCIAL TRAFFIC FLOWS.

§ 1. Evolution of Industry and Commerce.

A proper recognition of the factors giving rise to **industry and commerce**, is of fundamental importance in the making of transportation rates. It is because of these two great processes in our modern civilization that the making of freight rates is a necessity.

In the earlier stages of civilization, man exchanged the goods which he produced for the products of his neighbor, who traded them with the tiller of the soil for the necessities of life. This gave rise to a division of labor which resulted, during the succession of centuries, in the great industrial and commercial development of our present civilization.

The life-sustaining necessities of man give direct rise to industry and commerce because of the dire necessity for food upon which men subsist. Man's social development then added a demand for manufactured products, such as clothing, materials with which to build homes, and tools and implements with which to earn a living.

The supplying of the products of commerce, therefore, gave rise to **industry**, the process by which raw material passes from the source of supply into finished products; and the distribution of these products gave rise to **commerce**, the process by which the products of industry reach the consumer. Often raw materials have to be brought

from distant sources of supply, and they frequently pass through more than one process of manufacture, before they are finally wrought into the finished products required by our complex civilization.

It is apparent at once that in the operation of these processes of **industry** and **commerce**, there must be a means of conveyance, in order to bring to **industry** the supply of raw material and to distribute in commerce the finished products. This is the great function of transportation.

The preparation and distribution of food alone constitute over half of our industry and commerce; the balance consists in supplying the demands of commercial and social life with manufactured products. The lower the degree of civilization of a people, the less are the quantity and variety of their commerce; the higher their social development, the greater is the volume of commerce, and the more varied the goods produced and exchanged. The same factors which are responsible for the development of civilization, give rise to industry and commerce.

§ 2. Factors Controlling Traffic Centers and Markets.

You have a sufficient general knowledge of the industrial development of the United States to know that it was at first populated along its extreme eastern seaboard, and that its subsequent development has been westward in its movement. The earlier history of our nation was without any industrial significance until the advent of the steam railroad.

The United States is divided into various productive sections. None of these sections has a sufficient supply of food or raw material for manufacturing purposes, to render it independent of the other sections; i. e., no one of these sections produces a sufficient quantity of articles of food and of raw material to supply its own demands. However,

each of these sections produces some particular commodities or products essentially different from the other sections, and each draws upon the other for that in which it is lacking. This exchange of goods gives rise to the movement of materials over definite routes, and to the establishment of trading or traffic centers, and definite markets.

This internal trade of the country consists largely of cotton from the southern section, live stock from the western territory, grain from the central and western areas, lumber from the northern and southern sections, coal from the eastern and southern sections, iron from the central and southern districts, and fruits from the western and southern sections. By far the lesser portion of our commerce is confined to articles of manufacture.

Population and industries are centralized at various points in the country, for the purpose of taking advantage of the location of raw materials, and the other physical conditions necessary to the establishment of industry. If you will analyze these conditions you will find that the most important of these factors are controlled by physical causes, which are discussed in the Traffic Geography.

The exchange of goods arises from the condition that skilled labor, producing particular articles of commerce, is centralized in certain sections of the country, and that the demand for the goods produced, emanates from all sections of the country. Trade and manufacturing centers naturally draw a large population. These centers are usually controlled by physical conditions, such as power facilities, transportation agencies, and sources of raw material. Abundant water power, for example, is responsible for the development of the great manufacturing industry in New England. The supply of coal, for generating electric or steam power, will always be found to exert a powerful influence upon the location of industries.

If each locality could produce all the products which it consumes, the problem of distribution would not require any very careful attention. The fact that industries and population at various points in the country are centralized so that they may take advantage of the supply of raw materials, and get power for the operation of factories, makes it necessary that food products be transported long distances. The greater the population at any given point, the more important it is for some agency to specialize in receiving the food products, and in distributing them to the various families of the community. Thus the jobber and commission merchant come into existence. It is clear, therefore, that the factors controlling traffic centers and markets are mostly physical in their nature. Of these physical factors the more important are: The source of raw material, the source of power with which to manufacture the raw materials into the finished products, and the agencies of transportation—either by rail or by water—by which the products are to be distributed.

§ 3. Traffic Flows of Food Stuffs, Manufactured Articles, and Raw Materials.

Raw materials are transported to the mills, and the finished products, from the manufacturing industries, are shipped to the great distributing centers, and thence to the consuming points. The food products move from the sources of supply to the great centers of population. The main channels of traffic are broken up with smaller or secondary channels, which carry the traffic of the country from the jobbers, wholesalers, and warehouses, to the retailers, where the products are distributed to the consumer. The volume of the various products of commerce varies with the development of the wants of man, with the changing seasons, and with social conditions.

These channels of distribution of commodities are properly termed "traffic flows." In their primary arrangement they conform to the distribution necessities of the product which is produced at the trade center, and from there shipped to other markets; of the products which are brought to the trade center from the source of supply, there to be consumed; and of the products which are brought to the trade centers to be distributed to other markets and trade centers. With the development of the transportation system of the United States and the centralization of industry and population, these channels of distribution, or flows of traffic, have become definite and stable in their character.

These traffic flows may be primarily grouped as follows: (a) Flows of raw materials; (b) Flows of food stuffs; and (c) Flows of manufactured products.

(1) **Coal.** With the exception of eastern coal, the radius to which it is transported from the mines does not exceed 500 miles, and the greater portion of the coal is consumed within 200 to 300 miles of its source of supply.

Coal moves via all rail lines from the Appalachian district mines, western New York, Pennsylvania, West Virginia, and from as far south as Alabama, into the manufacturing districts of the New England and central states. It also moves by rail to the ports of Lake Erie and thence by vessel to Chicago and the head of the lakes.

Coal moves by barge from Pittsburgh down the Ohio river to the river ports, from Cincinnati to Cairo and St. Louis, and thence by rail to inland destinations by all lines of railway. Coal from Ohio, southern Indiana, and central and southern Illinois mines moves to the manufacturing districts about Chicago, Cincinnati, Louisville, St. Louis, and in the Mississippi Valley.

Coal is mined in Iowa, Missouri, New Mexico, Oklahoma, Kansas, Wyoming, Utah, Colorado, Washington, Arkansas and Arizona, and moves locally and into nearby states for domestic and industrial consumption.

(2) **Lead, Copper, and Silver.** These three commodities move by all rail lines from their sources of supply in Oregon, Utah, Nevada, New Mexico, and the Rocky Mountain country, to all parts of the country, but in greater volume to the far eastern manufacturing districts in New England and New York.

(3) **Logs and Lumber.** The forestry areas of the country have been materially diminished in late years, on account of the enormous consumption of wood in manufacturing. Today the principal flows of logs and lumber are from distant forests in the South and Northwest, to the manufacturing districts of Ohio, Indiana, and Illinois, where furniture, agricultural implements, wagons, and wooden ware are largely manufactured.

The white pine of Michigan moves principally into the local furniture factories of Michigan and Indiana. A small amount reaches Chicago. Wisconsin sends lumber to Chicago and the Mississippi Valley. Yellow pine from the southern states and Arkansas moves principally into the manufacturing districts of the middle states.

Pine, fir, cedar, and hemlock move from the forests of California and the Pacific Northwest, west of the Rocky Mountains, and eastward to the manufacturing districts of the midwest. A considerable quantity is consumed in California by its local industries.

(4) **Ore.** Iron ore is found principally in the Lake Superior district and moves by lake to the head of Lake Michigan or Gary, Ind., and to the ports on the southern

shore of Lake Erie, and thence by rail to the furnaces in Ohio, northern West Virginia, Pennsylvania, and western New York.

There, the ore is converted into pig iron, which, in turn, moves into the iron and steel manufacturing districts of the eastern and central states. The pig iron is manufactured into steel rails, iron and steel beams, blooms, billets, bars, sheets, etc., and is moved to the machinery manufacturing cities—Cincinnati, St. Louis, Chicago, Cleveland, and Moline district, and the central Ohio machinery producing district.

Iron ore is mined in Alabama, where it is converted into pig iron and moved northward into the central manufacturing section. Large quantities move through Louisville, Cincinnati, and the Ohio River Crossings to Chicago and St. Louis. In Wyoming iron ore is produced, which moves into the Colorado iron and steel mills, whence its products are sent out for western consumption.

(5) **Hides, Pelts, and Skins.** These materials of raw leather are produced in the live stock areas of the West, and at the great packing centers of Kansas City, Omaha, and Chicago, whence they move eastward to the tanneries of the middle West and the East—the New England, New York, and the Pennsylvania boot and shoe producing districts. These hides and pelts also move to tanneries in California, where large quantities of leather and leather goods are produced.

(6) **Wool.** Wool comes from the sheep raising districts of Wyoming, Utah, Idaho, Oregon, Nevada, and California, and moves across the country, via the all-rail lines, to the mills and looms of New England and New York.

(7) **Cotton.** Cotton, the main staple of the South, moves from the cotton growing regions of the South to the cotton mills of Alabama, Georgia, and the Carolinas; also to the cotton mills of New England and New York. These movements follow both the all-rail routes from the South through the Virginia gateways and the Ohio and Mississippi river crossings, and the rail and ocean routes via New Orleans, and other gulf ports, and the southeastern Atlantic ports. Cotton raised in Texas and Oklahoma moves principally to the Pacific Coast mills, although large quantities also move to the New England and New York manufacturing districts.

(8) **Grains.** A material amount of the small grains produced throughout the country is consumed locally. Grain moves in great volume from the Dakotas, Nebraska, Minnesota, Kansas, Iowa, and Missouri, to the mills at Minneapolis and St. Paul, Milwaukee, Chicago, and Buffalo, to the Mississippi Valley, and the extreme East, for domestic consumption and for export.

Several distinct routes exist for the movement of this grain. From Kansas and north of Kansas, it moves via the all-rail lines through St. Louis, Peoria, or Chicago, eastward. It also moves via rail to Milwaukee, Kewau-nee, and Manitowoc, by car-ferry across Lake Michigan, and thence by rail to the East. Another important route is via Mackinaw City or Sault Ste. Marie, thence by rail eastward.

Large quantities of these grains move by rail to the head of the Lakes at Duluth, and then by vessel to the ports of Lake Erie, and via the Erie Canal, or the rail lines, to the eastern seaboard.

Grain from the region south of Kansas moves via two routes eastward. Some of it moves all-rail through Mem-

phis and the southern lines through the Virginia cities to the seaboard. Some of it goes by way of the gulf ports.

(9) **Live Stock and Packing House Products.** Live stock is produced in the central western states, west of the Rocky Mountains, and moves to the great packing centers at Omaha, Kansas City, Chicago, etc., and the products of the packing houses move eastward along the same channels which the grain follows.

Packing house products move west also, and are distributed throughout the Pacific Coast and Intermountain sections.

(10) **Dairy Products.** The demand for dairy products in the rural districts outside of the large cities is locally supplied, but the great centers of population sometimes draw their dairy supplies from far distant producing districts. Thus, eggs are transported from Texas and Arkansas on the south, and the Dakotas and Minnesota on the north, from Wisconsin, the central states, and even from Tennessee, to the cities of New York, Chicago, St. Louis, Pittsburgh, and the populous seaboard territory of the East.

Butter, cheese, and chickens are moved from the same sections to the large cities to meet their excessive demands. Most of the dairy products move via the all-rail lines in refrigerator cars.

(11) **Fruits and Vegetables.** The principal fruit belts of the United States are central Michigan and Wisconsin, Utah and California, and the southeastern and Gulf states.

From Utah and California, fruits move eastward via the all-rail lines to the central, northern, and eastern sec-

tions; from Michigan and Wisconsin, into the central section mainly; and from the southeastern and gulf districts, into the northern, central, and eastern markets. The great cities of the central and eastern parts of the country draw upon all these producing sections for fruits and vegetables.

Fruits move both in the fresh and dried state. Large quantities of southern fruits and vegetables pass through Pittsburgh on their way to the populous Seaboard district of the Northeast.

(12) **Seafoods.** Seafoods make up an important portion of the foodstuffs. Fish and oysters move in large quantities from New York, Philadelphia, and Baltimore, into Pittsburgh, Chicago, Cincinnati, and St. Louis, and cities of the central states.

From Boston to New York move large quantities of fish for the transportation of which special trains are operated daily. Fish and seafood move, via the rail lines, from the southeastern Atlantic ports into the interior south. New Orleans furnishes Chicago and St. Louis with large quantities of fish.

From the northwest fisheries on the Pacific coast, salmon and halibut move, via the rail lines, eastward to the central and eastern sections of the country.

(13) **Products of Manufacture.** The products of manufacture of the East—the fabrics, wearing apparel, carpets, rugs, wares, small tools, delicate mechanisms, such as watches, etc.—move throughout the country.

The routes followed westward by these products are the all-rail lines through Chicago and St. Louis, the ocean lines from Boston, New York, Philadelphia, and Baltimore, to Norfolk, Newport News, Savannah, etc., and rail

lines to interior and western points, the ocean lines to the gulf ports at New Orleans, Galveston, etc., and rail lines to interior and western points, and the rail lines to Lake Erie ports and water routes to the western lake ports, and rail lines beyond.

The articles of iron and steel manufacture, agricultural implements, machinery, tools, wagons, etc., have a general tendency to move westward, but enjoy freedom of movement throughout the country, wherever the particular product may be in demand.

Many products of manufacture partially finished in the central and eastern districts move westward to assembling and finishing factories, and from there are distributed generally throughout the Intermountain region and the far West.

CHAPTER II.

NATURE OF TRANSPORTATION CHARGES.

- § 1. Variety of Articles of Commerce Transported.**
- § 2. Free Traffic Movement Principles.**
- § 3. The Legal Rate Problem.**
- § 4. The Unreasonable Rate Problem.**
- § 5. The Discriminatory Rate Problem.**

CHAPTER II.

THE NATURE OF TRANSPORTATION CHARGES.

§ 1. The Variety of Articles of Commerce Transported.

If you will notice, as you pass along the streets of your city, the vast number of articles and commodities displayed in the shop windows of the merchants, you will be impressed with the almost endless variety of the articles of commerce. They include varied assortments of food products, manufactured products, such as clothing, utensils for home and field, dry goods, implements, materials and appliances making for the comforts of living, materials for the building of your home, articles of finery, and articles and ornaments for the luxurious tastes of the wealthy, varying in substance, shape, weight, workmanship, use, and value. In an aggregate sense these articles, for which we find use in our present state of civilization, reach the enormous total of approximately 25,000 in number. They come from the field, the forest, the mine, and in their distribution commercially pass through diverse possessions.

They represent the result of the development of two great processes of modern civilization—industry, that process by which the article passes from the source of supply into the finished product, and commerce, that process by which the finished product passes into the hands of the consumer.

The moving process of buying and selling is ever present, in the transformation of the material into the manufactured product, in each phase of its manufacture and in its

distribution to the user. But in all the industrial and commercial phases of the movement of a material, from its natural source to its ultimate consumption, the function of transportation—the physical movement by some agency of transportation, either water, or rail, or both—is present and is of such vital importance that were the agency of transportation lacking, the cause of production of most of these articles would not exist, as there would be no adequate means of moving them to the points of consumption.

§ 2. Free Traffic Movement Principles.

Since the function of transportation is so essential to industry and commerce, it is necessary to know in what forms transportation is of its greatest importance. Materials and commodities may be transported by dray or wagon, for short distances, from the source of supply, from the field, from the factory, to or from the warehouse, and in general local distribution about the consuming area at the point of production or storage. For almost any distance, water, if available, can be employed in transportation. But the railroad is overwhelmingly the principal agency of transportation in the United States. And it is with respect to this particular agency of transportation, that you will give consideration to the elements controlling the nature of its charges for its service.

The transportation service, as you have seen, enters into every process of industry and commerce, and must, therefore, affect every person who is concerned, either in the production or the consumption of the articles of commerce. The charge made for such transportation service, likewise, enters into the cost of production and into the cost of distribution of each of these articles. It is, of course, clear beyond argument that the normal production and sale of goods should afford a profit both to the

original producer and the ultimate distributor. It must be apparent, then, that since the charge for transportation enters into both the cost of production and the cost of distribution, the extent of such transportation charge is a vital factor in promoting or hindering the movement of materials and products of industry, and in advancing or retarding their distribution.

Right here the relation of the railway, as an agency of transportation to industry and commerce, is permanently fixed as a public utility. Its function as such public utility is a thing in which everyone in the enjoyment of his right to live is interested. By its abuse, all are injured; by its proper operation, everyone is benefited.

As population concentrates and increases, the demands for foods and for manufactured articles grow greater; and as the productive capacity of sections nearest the points of concentrated population is reached, the food and other products required must be brought from more distant sections. Such increases in population increase industrial activity and bring about a spreading out and enlargement of industrial areas. These industrial and local developments require a marked degree of flexibility in the charges exacted for the necessary service of transportation.

The requirements of these great centers of population and industrial activity are not alone to be considered; certain commodities are in demand everywhere. The great staples of life are in more or less general and uniform demand throughout the country. Many of these commodities are produced in widely separated sections. Again, the raw materials may have to be moved over great distances to be put into shape for consumption. The productivity of the producing section must be developed to a reasonable maximum, and the intervening process of transportation must not be so operated as to become a

retarding factor in the productivity of a section. There must be that freedom of movement of materials and commodities, as they are required to meet the demands of consumption, which will stimulate industrial enterprise, develop, yet also conserve, natural resources, provoke and maintain fair and healthy competition throughout the business world making monopoly impossible, facilitate the easy movement of labor, encourage the settlement of new land, prevent undue congestion of population in great cities, enlarge the opportunities of rural life, promote political unity, and stimulate intercourse between different parts of the country.

Thus, it is clear that the nature of the transportation charge must include due consideration of such a degree of freedom in the movement of articles of commerce as to justify the burden of transportation cost that such articles must bear.

§ 3. The Legal Rate Problem.

It is, of course, not the intention of this chapter, which is preliminary in its scope, to deal with the legal technicalities of rate-making. Such a discussion, in its necessary detail, will be given in its proper place in other volumes.

With the wonderful growth of railways in the United States, and their close relation to the business development of the country, many abuses grew up in their administration. Excessively high rates were charged one shipper, and abnormally low rates were afforded another. One shipper would be hampered in the shipment of his goods by certain practices of a railway, while another shipper was favored with unusual privileges. Without historically enumerating these unjust practices and abuses, suffice it to state that, in the course of time, these abuses

became so vicious and flagrant that first the state governments, and later, the national government, sought to abolish them by certain forms of regulation. The principal object of such regulation was to remove the abuse of power of the railways, in the adjustment of their rates, for the good or detriment of the industrial and commercial welfare of the country.

These abuses took form in various and subtle methods of charging unreasonable rates and unjustly discriminating between persons, localities, and goods. As the more vicious forms of charging unreasonable rates and inflicting unjust discriminations are things of the past, it is not necessary to enumerate them in detail. In general these abuses may be classed as follows:

Rates—

Uncertainties in Rates;

Unstable or Fluctuating Rates;

Secret Rates (especially favorable to certain shippers);

Unreasonably High Rates (both as individual rates and as relative rates); and

Rebates.

Discriminations—

Between Persons;

Between Localities (cities, towns, railway points, or territories);

Between Kinds of Traffic (goods); and

Between Lines of Railway (connecting carriers).

A rate is **relative** when its reasonableness is determined by comparison with other rates to which it is properly compared.

The question of rates is the heart of the railway transportation problem. Both the state and national schemes of regulation seek to remove these various forms of abuse

and injury, and to put in their place two theoretically very simple things—stable and reasonable freight rates, and such reasonable discriminations in service and charges as are justified by the diversities of industry and commerce. The publication of all railroad freight rates in printed schedules called tariffs—published under fixed rules—is one of the methods of the government in preventing fluctuating rates; and the removal of unjust discriminations is effected through various rules and regulations, intended to require equal, uniform, and impartial treatment of shippers in the use of the transportation service.

All interstate rates must be published in tariff form and filed with the Interstate Commerce Commission, and only rates so published and filed can be demanded and collected by the carriers. In a rate so published and filed no change may be made in less than thirty days without special authority of the Commission. Thus a rate, before it may be used, becomes a **legal rate**, but only in the sense that it has been published in a tariff, filed with the Commission, as required by law. That it is a legally published rate does not mean that it is a reasonable rate or that it does not unduly discriminate in any of the ways above enumerated. It has simply come legally into existence as a rate which may be demanded and collected by the carrier until the Commission declares it to be unreasonable or unduly discriminatory. Under the present system of regulation, the carrier is permitted to establish and fix its rates in the first instance, but the Commission is authorized to investigate and pass upon the reasonableness or discriminatory nature of the rate at any time after it has been legally published.

Aside from questions of unreasonableness and undue discrimination in the application of rates, you are constantly confronted with the problem of procuring the

lowest legal rate as a matter of publication of rates in tariffs, due to the fact that the present system of making rates, in use by most carriers, often results in more than one legal rate being in effect on the same commodity between the same points. This practice will be made clear to you in the succeeding chapters on classification and application of rates. It is the purpose of the law, and of the regulations of the Commission administering the law, to allow the shipper to pay the lowest legally published rate; and the study of the technicalities and conditions which surround the use of the lowest legal rate, to which the succeeding portions of this work are devoted, is intended to qualify you to accomplish that purpose. So important is this legal rate problem to the welfare of the business institutions and practices of the country that it has called into existence a new profession of men—men trained in the technical details of the law which governs the transportation service and rates.

§ 4. The Unreasonable Rate Problem.

The question of whether the rate on any article of commerce is a reasonable or unreasonable charge, for the transportation service, is one involving consideration of rates from two standpoints; i. e., (a) whether the rate is reasonable per se; and (b) whether the rate is relatively reasonable.

The theory of determining whether a rate is reasonable is measuring its reasonableness by determining whether the rate produces a charge for the service rendered which pays for the cost of the individual service, and affords a reasonable profit to the carrier. It must be stated at this point that on account of the complex nature of the distribution of railway operating expenses, it is practically impossible to ascertain anything more than a reasonable

approximation of the cost of transporting a single article or shipment. A more elaborate discussion, with detailed illustrations, of methods of determining reasonableness of rates will be found in another volume.

In practically all cases at the present time, the reasonableness of a rate is determined relatively. That is, the rate is compared with some other rate or rates which are assumed to be reasonable. Thus, railroad "A" charges 50 cents per ton for the transportation of coal, in carload lots, for a distance of 100 miles, and railroad "B" charges a rate of 75 cents per ton for hauling the same kind of coal in carloads for a similar distance on its line. The complaint is made that the 75-cent rate is unreasonable. All other conditions being equal, the factor of distance alone would not justify railroad "B" in charging 25 cents per ton more than railroad "A." On the other hand, if the cost of transporting the coal over railroad "B" was materially greater than over railroad "A," or if a competitive condition existed via railroad "A," which did not exist on railroad "B," and that competitive condition required the maintenance of a 50-cent rate without regard to the cost of the service on railroad "A," the rate charged by railroad "B" would not be relatively unreasonable. It is apparent, therefore, that the determination of the relative reasonableness of freight rates can be reached only through a thorough and intelligent consideration of the local conditions—railway, industrial, and commercial—which surround the service for which the rate is charged. Numerous conditions and technical factors are involved in all such cases.

§ 5. The Discriminatory Rate Problem.

It is difficult to draw the line between the relative unreasonableness of a rate and its discriminatory character. In

the illustration in section 4, the rate on railroad "B" could have been relatively unreasonable and discriminatory as between lines of railways or localities.

The method of the Act to Regulate Commerce in dealing with discrimination is comprehensive and elaborate in theory, but in practice the determination of whether or not undue discrimination exists in any of the forms prohibited, involves keen consideration of all of the vital elements of industrial, commercial, and railway competition. This distinction, however, may be clearly drawn: All relatively unreasonable rates are discriminatory; but all discriminatory rates are not unreasonable as factors of charge for the transportation service involved.

For further instruction in determining unduly discriminatory rates detailed analysis will be found of rates which discriminate between the persons of shippers, between the different kinds of materials and commodities transported, between localities competitively associated, and between railways competitively located.

Along broader lines, undue discrimination in rates may be established by comparisons in remote sections of the country, where a justifiable similarity of transportation, industrial, or commercial conditions can be proved.

In summary, it must be understood that the nature of the transportation charge is affected by the elements enumerated in this chapter. The great variety and difference in kind of the articles making up our commerce, the necessity for stimulating and encouraging the development of natural resources and the promotion of industrial activity, unhampered distribution of materials and commodities to meet the demands of consumption, the legal restrictions placed by the government on the making and publication of rates, and the protection afforded the shipper against the payment of unreasonable or unduly discriminatory

rates, must be dealt with intelligently at all times in the making of proper freight rates. And any practice on the part of carriers, or condition imposed in connection with the use of a rate, which may directly or indirectly affect the unreasonableness or discrimination in the charge for transportation which the law prohibits, is of equal importance in this connection.

CHAPTER III.

MEANING OF CLASS AND COMMODITY RATES.

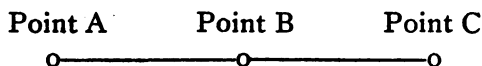
- § 1. Individual Rates on all Articles Impracticable.**
- § 2. Nature of Class Rates.**
- § 3. Nature of Commodity Rates.**
- § 4. Kinds of Freight Tariffs and Rates.**

CHAPTER III.

MEANING OF CLASS AND COMMODITY RATES.

§ 1. Individual Rates on All Articles Impracticable.

It would be a simple matter, were you the owner of a railway 50 miles long, serving two terminal points and an intermediate station, to fix the rates on five commodities, assuming only five commodities were ever offered for shipment over the line. Assume those commodities to be coal, lumber, grain, stone, and sand. It would be necessary to fix two rates on each commodity for each movement, i. e., a rate for the less than carload quantity, and a rate for the carload lot. For the sake of illustration we will call the points A, B, and C; thus:



For the five commodities, in the two quantities mentioned above, it would require the fixing of 10 rates from point A to point B, and another 10 rates from point B to point C, and another 10 rates from point A to point C, or 30 rates in one direction. Suppose it was necessary to charge different rates in the opposite direction; then you would have another 30 rates, or a total of 60 rates to govern the movement of 5 commodities, in less than carload and in carload lots, between the three points on your railroad. The fixing of an individual rate on each of the commodities would result in a rate that is termed a commodity rate. And a

tariff containing such individual commodity or article rates would be known as a commodity tariff.

Assume, however, that instead of the five commodities, all of the articles of commerce, approximately 25,000 in number, were to move over your line of railway, and you had to fix an individual rate on each of the 25,000 articles. In making the rates in one direction you would have 75,000 rates; and in the reverse direction another 75,000 rates. In other words, you would have to fix 150,000 rates to move the articles of commerce between the three stations on your railroad. Assume further, that instead of a railroad 50 miles long, with 3 cities or towns on it, your railroad was 1,000 miles in length, and served 250 cities and towns. Your rates would run into millions. Such a method of fixing rates is economically impracticable; because, if all the rates in the country were made that way, there would be so many rates published that only confusion would result in their application. Moreover, were it practical to make an individual or commodity rate on all of these varied articles of commerce to govern the movement of each throughout the country, it would be found that thousands of such rates would be exactly alike, because thousands of such articles would require the same kind and amount of transportation service to move them. Hence, some method of grouping articles taking the same rate, or substantially the same rate, into a small number of groups or classes, in order that a single rate may be applied to a class or group as a whole, suggests itself from the very fact that such a large number of like rates would result among the individually applied rates. Such an arrangement into classes or groups to receive a single rate on an entire class or group is called classification, and a rate so applying on a group or class is termed a class rate.

A tariff containing such group or class rates would be known as a class tariff.

§ 2. Nature of Class Rates.

The class rates of a carrier are its primary rates. They apply on its merchandise traffic, as it is classified and grouped under the system of classification in effect. Merchandise traffic includes all those commodities moving over a railroad which do not, because of some unusual industrial, commercial, or railway condition, require special or individual rates, or commodity rates. Whenever an individual or commodity rate is put upon an article, the class rate usually ceases to apply on the quantity covered by the commodity rate. Most of the lighter, bulkier manufactured products and valuable freight of the country moves under class rates, while commodity rates are confined to carload quantities of the heavier dead freights, such as coal, lumber, grains, ore, stone, iron and steel, sand, gravel, etc.

It may be said, therefore, that the class rates apply on the general classified merchandise traffic of the carrier, and the commodity rates apply on that portion of its traffic requiring special consideration in the matter of rates in order that it may enjoy a free commercial movement.

§ 3. Nature of Commodity Rates.

A commodity rate is a special individual rate applied to a certain commodity, or defined group of related commodities. Such a rate is made because of unusual conditions in the transportation of the commodity. Supply and demand, competition, desire of carrier to increase its tonnage in a particular commodity, and railway competition, are the more important elements which cause commodity rates to be made. Commodity rates are usually confined

to carload quantities of the great staples and low-grade commodities, to afford them general circulation in commerce.

There is presumed to be a fixed relationship between the classes or groups in the classification of freight, but in practice the commodity rate represents the flexibility of classification necessary to meet the requirements of the ever varied industrial and commercial conditions of the country.

Since classification is supposed to determine that relation of commodities, there should be no necessity for diversion from the class rate levels thus established; but while the classification may establish a generally equitable relationship for a certain commodity with other classified commodities, in a large territory traversed by many lines of railway, there may exist upon one of those lines of railway, or even on a portion of such railway, conditions affecting the transportation of that commodity which render the established class rate unreasonable and detrimental to its movement. Commodity rates are always in the nature of a preference, but not necessarily an undue preference.

The tendency under the present system of government regulation is to eliminate these special or commodity rates and bring about a more nearly uniform application of class rates. Generally speaking, commodity rates are lower than the class rate applying on the same article in the quantity affected by the commodity rate. It does not follow, necessarily, that all commodity rates are lower, or that there is any obligation on the part of the carrier always to make the commodity rate lower than the class rate.

The Interstate Commerce Commission is disposed to encourage the making of class rates wherever practicable, because of their tendency toward uniformity and stability

in rates. It is only in cases where it clearly appears that the inclusion of a given commodity in a class or group of the classification will result in unreasonable charges, and that a lower classification will not meet the demands of justice, that the Commission requires commodity rates to be established.

Commodity rates, like class rates, must be published under the rules and regulations of the Interstate Commerce Commission. When a commodity rate is legally published and filed with the Commission, it becomes, unless otherwise provided for in the tariff, the legal rate and the only rate that can be used despite the fact that a class rate, or some combination of class rates, may make a lower charge unless otherwise provided for in the tariff.

It is estimated that 75 per cent of the tonnage of the railroads of the United States moves under commodity rates.

§ 4. Kinds of Freight Tariffs and Rates.

A freight tariff is a printed schedule containing descriptions of transportation service and the rate of charge therefor, which the law requires all interstate common carriers subject to the Act to Regulate Commerce to publish in specified form, and file with the Interstate Commerce Commission at Washington, D. C.

It is estimated that there are over 480,000 tariff issues in effect in the United States, subject to both the state and national jurisdictions. Over 300,000 are on file with the Interstate Commerce Commission alone.

Several different forms of tariffs are permitted under the law. These tariffs may be grouped or classed in several different ways. They may be classed according to their legal nature as local tariffs or individual tariffs in which the carrier issuing the tariff is legally bound for the com-

plete rate; joint tariffs, publishing rates between connecting carriers, in which each is bound by law to the extent of its participation in such joint through rates; and agency tariffs, published by an agent for several carriers, in which each is bound by law to the extent of the power given to the agent to fix and publish any rate. Or tariffs may be classed according to their traffic nature, as class and commodity tariffs, it being understood that such a division of tariffs must be broad enough to include special tariffs, such as switching tariffs, demurrage schedules, storage tariffs, and other tariffs governing special privileges and allowances.

Rates may be likewise classed, with respect either to their legal nature or to their traffic nature. Classed with respect to the legal responsibility of the carrier, the rate results in two types—local rates and joint rates. From a traffic standpoint, rates divide into two general classes—of class rates applying on the general merchandise traffic, and commodity rates applying on individual commodities.

A still further classification of rates may be made—rates may be “open” or “qualified.” An open rate has no restrictions or limitations placed against its use. A qualified rate is a rate which is limited or restricted in its use and, generally speaking, is obnoxious in the eyes of the law.

CHAPTER IV.

CLASSIFICATION COMMITTEES.

- § 1. Committees Controlling General Classification Territories, having Jurisdiction, etc.**
- § 2. Origin, Organization, Duties, and Powers of Classification Committees having Jurisdiction over Interstate and State Traffic.**
 - (1) The Official Classification Committee.**
 - 1a. Organization and Representation.**
 - 2a. Legal Status of the Official Classification Committee.**
 - 3a. Duties and Powers of the Official Classification Committee.**
 - 4a. Territorial Jurisdiction of the Official Classification Committee.**
 - 5a. Issues of the Official Classification.**
 - (2) The Western Classification Committee.**
 - 1a. Organization and Representation.**
 - 2a. Legal Status of the Western Classification Committee.**
 - 3a. Territorial Jurisdiction of Western Classification Committee.**
 - 4a. Principal Office of Western Classification Committee.**
 - 5a. Issues of Western Classification.**
 - (3) Southern Classification Committee.**
 - 1a. Organization and Representation.**
 - 2a. Legal Status of Southern Classification Committee.**
 - 3a. Jurisdiction of Southern Classification Committee.**
 - 4a. Principal Office of Southern Classification Committee.**
 - 5a. Issues of Southern Classification.**
 - 6a. Exceptions to Southern Classification.**

§ 3. Committees and Authorities Controlling State Classifications.**Class Arrangement.**

- (1) Arkansas.
- (2) Florida.
- (3) Georgia.
- (4) Illinois.
- (5) Iowa.
- (6) Mississippi.
- (7) Nebraska.
- (8) North Carolina.
- (9) South Carolina.
- (10) Texas.
- (11) Virginia.

CHAPTER IV.

CLASSIFICATION COMMITTEES.

§ 1. Committees Controlling General Classification Territories having Jurisdiction, etc.

Before detailing the several committees charged with the duty of formulating and publishing the three general interstate classifications, known as the Official Classification, Southern Classification, and the Western Classification, it is important to give brief consideration to certain classification conditions which have caused these classification committees to be organized, maintained, and empowered to represent the railroads in the formation, publication and filing of interstate classification schedules.

It is not practical for each railroad to make a separate classification of the articles which are offered to it for transportation. Industrial, commercial, and railway conditions are so different in different parts of the country, that greater uniformity in the classification of goods is demanded than can possibly be attained by each carrier's making a separate classification of all articles. Industrial and commercial conditions are largely responsible for a triple division of the entire country for classification-making purposes. In Official Classification Territory there is a certain general necessity for a uniform basis of classifying traffic, due to the similarity of manufacturing conditions and railway construction and operation. In Southern Classification Territory industrial activity is at low ebb, and the commercial conditions require a certain

degree of uniformity in classification in that territory. In Western Classification Territory industrial, commercial and railway conditions are materially different from those in the other classification territories, and they necessitate a still different treatment of articles in their classification.

In the establishment of these several committees, each carrier has either direct or constructive representation on the committee representing its territory.

The Classification Committees, in addition to designating the various classes to which the articles belong, also perform the function of establishing carload minimum weights, making rules governing the packing of shipments, rules governing loss, damage, and liability in connection with the shipments, estimates of gross weight, rules establishing the dimensions of standard cars, and also rules governing the movement of special equipment,—such as tank cars, etc.

There are many differences in the requirements of the rules, regulations, and classifications prescribed by the various committees. These differences are practically all caused by differences in the productive areas of the country due to the traffic, industrial, and commercial conditions. Many articles of great importance in one territory are practically of no significance in another section. Where one section produces almost entirely food products, another section will produce only the products of manufactures. In meeting these differing conditions, the committees have promulgated many differences in their rules, practices, and classifying methods.

An attempt has been made to unify all the classifications and thus do away with many of these differences, and at the present time a Uniform Classification Committee is engaged in the making of a general uniform classification for all sections of the country. The membership of this

committee is made up of representatives from the various railroads in the different sections; men familiar with the industrial, commercial, and railway conditions in the sections they represent.

§ 2. Origin, Organization, Duties, and Powers of Classification Committees having Jurisdiction over Interstate and State Traffic.

The creation of a co-operative agency under the style of a representative committee, to deal with the classification of property, was but a natural step forward in the general scheme of freight traffic associations among competitive railway lines.

Prior to the advent of the first Official Classification schedule, which was published by the Official Classification Committee, on April 1, 1887, 130 distinct and separate classifications were in effect within the several traffic territories made subject to the authority of the Trunk Line Committee and the Central Freight Association. This is practically the same territory now embraced within Official Classification Territory.

The merger of all these individual classifications into a general uniform classification for this important territory went into effect at the same time that the original Act to Regulate Commerce took effect, and was an attempt on the part of the railways to comply with the general terms of that law. The formation of the Official Classification Committee in the eastern section of the country was soon followed by the creation of somewhat similar committees in the southeastern portion of the country, and in the western territory. The origin of each of these classification committees lay in the desire on the part of the carriers of the country to bring about uniformity in classification,

rates, and practices, and put an end to the confusion, complications, and disastrous rate wars of the past.

(1) The Official Classification Committee.

1a. Organization and Representation. The Official Classification Committee as a whole is charged with the fixing of a general classification basis for the traffic of the territory over which it has authority to act, classification to be used in connection with all tariffs of carriers governed by the official classification. This committee is composed of five members, a Chairman, Secretary, and three representatives selected by the Railroads in Official Classification Territory.

The head of the committee is a Chairman, selected from the membership of the committee, who exercises executive powers. He is assisted by a permanent Secretary. The present Chairman of the Official Classification Committee is Mr. R. N. Collyer, and the present Secretary is Mr. O. F. Lovenberg, each with offices at 143 Liberty Street, New York City, N. Y., which is the principal office of the committee.

2a. Legal Status of the Official Classification Committee. The Act to Regulate Commerce (the Interstate Commerce Law) neither recognizes nor exercises jurisdiction over a classification or other traffic committee, association, or organization among the carriers subject to the Act, until the act of the committee or association is put into effect, either by the individual carrier, or by the carriers collectively, through the mediumship of a lawfully constituted agent, which the Chairman or any officer of the committee may become. Nor is any act done by the committee, as a committee, recognized in any way by the Com-

mission. Hence, the Official Classification Committee possesses no legal status in the eyes of the law; and to render effective its acts, it must put them into effect either by the individual line or through an agent acting under power of attorney of the lines participating in the committee's classification.

3a. Duties and Power of the Official Classification Committee. In general, it is the duty of the committee to establish and promulgate, among the lines that are members, a general uniform basis of classifying commodities with regard to the industrial, commercial, and traffic conditions of the territory as a whole, to establish the proper relationship of competitive articles in classes or groups, establish carload minimum weights, to make rules governing packing, damage, loss, liability, car sizes, estimated weights, equipment movements, to classify new articles of commerce, and to hear petitions, complaints, and applications, both by shippers and by carriers, bearing on the readjustment of articles already classified and rated.

Numerous changes are made from time to time, which appear in supplements to the classification schedule, or exceptions to the schedule, and in re-issues of the schedule itself. The ratings established and rules issued by the committee are accepted as final by the lines represented, with the exception that each line reserves to itself the right to publish individual exceptions to the ratings and rulings established by the committee, in order to meet the necessities of traffic, industrial, or commercial conditions along its own line.

4a. Territorial Jurisdiction of the Official Classification Committee. The jurisdiction of the Official Classification Committee for classification-making purposes is generally

spoken of as comprising all of the lines of railway operating in the territory known as the Official Classification Territory, defined in the Traffic Geography.

While this description bounds fundamentally the general territory most affected by Official Classification ratings, it is in many respects a misnomer to speak of the territorial application of a classification; as the only way to determine application of classification is by reference to the tariff naming the rate.

5a. Issues of the Official Classification. The Official Classification is issued in tariff form, in compliance with the provisions of the Act to Regulate Commerce and the regulations of the Interstate Commerce Commission, and is filed with that Commission as required by law, by R. N. Collyer, as agent, under powers of attorney and concurrences. It is also filed by Mr. Collyer, as agent for the member lines, with the Board of Railway Commissioners of Canada and with the Public Service Commissions of the states of New York, Indiana, Michigan, and Maryland.

(2) The Western Classification Committee.

1a. Organization and Representation. On December 5th, 1913, the Western Classification Committee was reorganized; a permanent committee of three was appointed, to be in continuous session, to hear petitions of shippers or carriers for changes in the Western Classification Committee Territory, and to make recommendations thereon for adoption by the western lines in that territory.

The committee is composed of Mr. H. C. Bush, former Traffic Manager of the Colorado Midland Railway; Mr. W. E. Prendergast, formerly General Freight Agent of the Chicago, Milwaukee & St. Paul Railway, and Mr. R. C. Fyfe, the present Chairman of the Western Classification Committee. It is the work of this committee to receive

all applications for changes in classification, presented by either the shipping public or the carriers, to make full investigation, to hold public hearings to which the Interstate Commerce Commission, state railroad commissioners, and industrial organizations interested are invited.

This reorganization of the Western Classification Committee is in line with the recommendations of the National Industrial Traffic League and prominent shippers' organizations, and is looked upon with favor by the Western state railroad commissioners and shippers, since it will greatly facilitate the prompt handling of classification matters and will avoid delays which have occurred in the past, when only two classification meetings per year were held by the Western Classification Committee.

The committee of three will, where it is found necessary or desirable, hold hearings at points throughout the Western territory. However, the permanent headquarters and the committee meeting rooms are located in the Transportation Building, Chicago, Illinois.

This reorganization, as outlined above, involves certain changes in methods of procedure. It is understood that the committee considers questions with regard to the class of articles affected; when, for instance, it contemplates any changes in the class, agricultural implements, it issues notices to all who may be interested in any proposed changes in the classification of items under this general head. These notices are also published from time to time in *The Traffic World*. By this arrangement, all those interested in changes under this head are enabled to be present and to present their views.

2a. Legal Status of the Western Classification Committee. See "Legal Status of Official Classification Committee."

3a. Territorial Jurisdiction of Western Classification Committee. The Western Classification Committee publishes a general classification basis which is adopted and applied by the roads generally originating and delivering freight traffic in Western Classification Territory. For description, see Traffic Geography.

4a. Principal Office of Western Classification Committee. The principal office of the Western Classification Committee is located in the Transportation Building, in the City of Chicago, Illinois, and is operated under the executive direction of Chairman Fyfe.

5a. Issues of Western Classification. The Western Classification is published in tariff form, in accordance with the provisions of the Act to Regulate Commerce; it is posted, and filed with the Interstate Commerce Commission by Mr. R. C. Fyfe, as agent under powers of attorney and concurrences of the lines applying the classification in conformity with the regulations of the Commission. It is also filed with the Board of Railway Commissioners for Canada.

(3) Southern Classification Committee.

1a. Organization and Representation. The Southern Classification Committee consists of a Chairman, and two members, who are appointed by an Executive Committee, made up of Traffic Officials of member lines. The committee is charged with the construction and promulgation of a general classification, to be adopted and put into effect by carriers originating and delivering freight traffic subject to the Southern Classification.

2a. Legal Status of Southern Classification Committee. See "Legal Status of Official Classification Committee."

3a. Jurisdiction of Southern Classification Committee. For approximate boundaries of territory, see Traffic Geography.

4a. Principal Office of Southern Classification Committee. The principal office of the Southern Classification Committee is located at 914 Grant Building, Atlanta, Georgia, and is operated under the executive direction of the Chairman of the Southern Classification Committee, Mr. W. R. Powe, who also acts as agent for the member and concurring lines in the filing of the classification with the Interstate Commerce Commission.

5a. Issues of Southern Classification. The Southern Classification is published in tariff form in accordance with the provisions of the Act to Regulate Commerce and the tariff regulations of the Commission.

6a. Exceptions to Southern Classification. The member lines reserve the right to publish individual exceptions to the general classification basis.

§ 3. Committees and Authorities Controlling State Classifications. Class Arrangement.

Several of the states—five in Western Classification Territory, and six in Southern Classification Territory—establish intrastate classifications and exceptions to prevailing interstate classifications, through their railroad or public service commissions, such classifications establishing ratings on commodities which move wholly within the state.

Some of these state classifications—notably those of Florida, Georgia, Illinois, Iowa, Mississippi, Nebraska, North Carolina, Texas, and Virginia—establish a state classification which resembles in form the prevailing interstate classification of the territory in which the state is situated. Thus, those in the South resemble the Southern Classification, and those in the West, the Western Classification schedules, as will be seen from the class arrangement shown below.

The state can use another method; it can adopt, through its railroad commission, the interstate classification prevailing in the general territory, by requiring the filing of such interstate classification by the issuing-agent for the carriers with the state commission. In this manner, the Official Classification is filed by Agent Collyer with the public service and railroad commissions for the two districts of New York State, and the states of Maryland, Indiana, and Michigan.

The following class arrangement is followed in each of the state classifications referred to:

ARKANSAS.									
Class	Class	Class	Class	Class	Class	Class	Class	Class	Class
1	2	3	4	5	A	B	C	D	E
FLORIDA.									
Class	Class	Class	Class	Class	Class	Classes			
1	2	3	4	5	6	A	B	C	D
GEORGIA.									
Classes					Classes				
1	2	3	4	5	6	A	B	C	D
ILLINOIS.									
Class	Class	Class	Class	Class	Class	Class	Class	Class	Class
1	2	3	4	5	6	7	8	9	10
IOWA.									
Class	Class	Class	Class	Class	Class	Class	Class	Class	Class
1	2	3	4	5	A	B	C	D	E
MISSISSIPPI.									
Classes					Classes				
1	2	3	4	5	6	A	B	C	D

NEBRASKA.																										
Class 1	Class 2	Class 3	Class 4	Class 5	Class A	Class B	Class C	Class D	Class E																	
Classes					Classes																					
1	2	3	4	5	6	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R			
NORTH CAROLINA.																										
Classes					Classes																					
1	2	3	4	5	6	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R			
SOUTH CAROLINA.																										
Classes					Classes																					
1	2	3	4	5	6	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U
TEXAS.																										
Class 1	Class 2	Class 3	Class 4	Class 5	Class A	Class B	Class C	Class D	Class E																	
Classes					Classes																					
1	2	3	4	5	6	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P					
VIRGINIA.																										
Classes					Classes																					
1	2	3	4	5	6	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P					

As will be noted in later instances, some of these state classifications are applied upon traffic moving from within the state to short distances beyond the borders of the state.

Where no state-established classification exists, the interstate classification prevailing in the general territory in which the state is situated is in effect within the state.

Traffic in the State of Arkansas is subject to the rules of the Western Classification. The so-called Arkansas classification is issued by the Arkansas Commission and contains exceptions to the Western Classification and rates applying within the State of Arkansas.

Traffic within the state of North Carolina is governed by the Southern Classification. The North Carolina Classification in reality represents exceptions to the application of the Southern Classification.

CHAPTER V.

CLASSIFICATION SCHEDULES.

- § 1. The Purpose of Classification Schedules.**
- § 2. The Nature of Classification Schedules.**
 - (1) Legal Status of the Classification Schedule.
 - (2) Participating Carriers.
 - (3) Index of Rules.
 - (4) Rules and Conditions of Shipment.
 - (5) Index of Articles.
 - (6) Classification of Articles.
 - (7) Explanatory Characters.
 - 1a. Official Classification.
 - 2a. Western Classification.
 - 3a. Southern Classification.
 - (8) Groups or Classes of the Interstate Classification Schedules.
- § 3. How Classification Schedules may be Procured by the Shipper.**
- § 4. Application of Classification Schedules. How Determined.**
 - (1) Determining Application of Tariffs of Class Rates to Shipment.
 - (2) Classification Schedule Governing Through Rates.
 - (3) Classification Schedules Governing Combination Rates.
- § 5. Territorial Application of Official, Southern, and Western Classifications.**
 - (1) Official Classification Applications and Overlaps.
 - 1a. Traffic to Texas, Oklahoma, Arkansas.
 - 2a. Traffic to Arizona.
 - 3a. Traffic to Colorado and Utah.
 - 4a. Traffic to Oregon, Washington, Idaho, and Nevada.
 - 5a. Traffic to Canada.
 - 6a. Traffic to Mexico.
 - 7a. Traffic to Cuba.
 - 8a. Traffic to Southeastern Territory.
 - 9a. Traffic to Florida, North and South Carolina, and Georgia.
 - 1b. Exceptions.

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- 10a. Traffic to Virginia.
- 11a. Traffic to Alabama.
- 12a. Traffic to Louisiana, East of the Mississippi River.
- 13a. Traffic to Mississippi.
- 14a. Traffic to Kentucky.
- 15a. Traffic to Tennessee.

(2) Western Classification Applications.

- 1a. Transcontinental Traffic.
- 2a. Traffic to Official Classification Territory.
- 3a. The Mississippi Valley.
- 4a. Illinois Application.
- 5a. Traffic to Mexico.
- 6a. Traffic to Canada.
- 7a. Traffic to Southeastern Territory.
- 8a. Exceptions to General Application of Western Classification Ratings.
- 9a. Traffic Destined to Points in Southern Classification Territory.
- 10a. Exceptions as to New Orleans and Memphis Rate Bases.
- 11a. Application at Missouri River Crossings.
 - 1b. Kansas.
 - 2b. Iowa.
 - 3b. Illinois.
 - 4b. Missouri.
 - 5b. Montana.
 - 6b. North Dakota.
 - 7b. South Dakota.
 - 8b. Utah.
 - 9b. Northern Peninsula of Michigan.
 - 10b. Minnesota.
 - 11b. Wisconsin.

(3) Southern Classification Applications.

- 1a. Traffic to Official Classification Territory.
- 2a. Southeastern Basing Points to Trunk Line Territory.
- 3a. Interior Southeastern Points to Trunk Line Territory.
- 4a. Traffic to Western Termini and Central Freight Association Territory.
- 5a. Transcontinental Traffic.
- 6a. Through Westbound Rates.
- 7a. Combination Westbound Rates.

- 8a. Application to Idaho, East of Kuna.
- 9a. Illinois.
- 10a. Iowa.
- 11a. Kansas.
- 12a. Northern Peninsula of Michigan, Minnesota, and Wisconsin.
- 13a. Missouri.
- 14a. Montana.
- 15a. Nebraska.
- 16a. North and South Dakota.
- 17a. Utah.

CHAPTER V.

CLASSIFICATION SCHEDULES.

§ 1. The Purpose of Classification Schedules.

The classification schedule is an alphabetical list of commodities, with descriptions of the manner and quantity in which articles may be shipped in order to receive the rate applicable to any particular class or group, indicated by either a number or an alphabetical letter. The arrangement as a schedule is practically the same in the Official, Western, and Southern classifications now in effect.

The classification schedule fulfills no complete purpose in itself. Its object is two-fold. As a conveniently arranged list of articles, it has for one of its objects an indexial use in locating a given article in its class, to which the rate is applied as a whole. Its other function is, theoretically at least, to establish the relationship of commodities from a transportation standpoint. In this aspect, the classifying of articles into groups or classes directly affects the charge for their transportation, and is an ever present and important factor in the determination of the reasonableness of rates. This latter function of the classification of commodities is not affected in any wise by the physical scheduling of the articles in tariff form, and will, therefore, be passed for discussion at this point, and be taken up when we come to the study of the reasonableness of rates.

The interstate schedules contain no rates, but separate and locate all of the articles that may be offered for trans-

portation, into the several numerical or literal classes for which the tariffs establish rates. This process of segregating the articles into the respective classes is called **rating**, or giving an article its **class**. The terms **rating** and **rate** should not be confused. The **rating** of an article in the classification refers to the numbered or lettered class which it takes; the **rate** is the factor of charge carried in the tariff of rates determined, in the computation of the charges, by the **rating**.

When you desire to ship any article, therefore, you must examine the governing classification schedule in effect and determine the rate you will have to pay, by ascertaining the class to which the article is assigned in the schedule, in the **form** and **quantity** in which you wish to ship. By **form** is meant the manner in which the article is to be packed, and by **quantity**, whether the shipment amounts in weight to less than a carload or a carload lot.

§ 2. The Nature of Classification Schedules.

The construction of the classification schedule, and the manner of its use, are almost identical in the three general interstate classifications. Some of the state classifications differ in minor details of construction and arrangement of classes, and the three interstate classification schedules use a different arrangement of numerical and lettered classes.

(1) **Legal Status of the Classification Schedule.** A classification schedule containing ratings used to ascertain the rates on interstate shipments is a tariff, within the meaning of the law and it is subject to the specifications and regulations of the Commission governing the construction, publication, and filing of tariffs, with the same force and effect as the tariff or schedule of rates.

The classification schedule must bear upon its face the filing number of the Interstate Commerce Commission; it must be filed with the Commission thirty days before it becomes effective, and it must show its consecutive issuance number of the agent publishing and filing it for the carriers. This agent is the chairman of the classification committee promulgating the classification.

(2) **Participating Carriers.** Not only all of the lines that are members of the classification committee, but all carriers participating in the application of the classification ratings must be listed in the front of the schedule, together with their concurrence numbers.

(3) **Index of Rules.** Because of the great number of articles and shipping conditions and rules contained in the classification schedules, the rules governing the shipment of articles according to their assigned ratings are carefully indexed in the front portion of the schedule. This index of rules is arranged alphabetically according to the subject of the rule. Thus:

INDEX TO RULES.

	Page	Rule
Addressing of Packages.....	12	3
Advancing charges to shippers, owners, etc., not permitted...	30	31
Carload Shipments—		
Combined and distributed by Forwarding and Delivering Agents	13	5 B

The above excerpt is from the index part of Official Classification. It indicates that the rule prohibiting the advancing of charges to shippers and owners of property shipped will be found under Rule No. 31, on page 30 of the schedule. (All rules are numbered, and where necessary, subdivided into numbered and lettered sections and

sub-sections.) Turning to page 30 of the schedule, you will find the following Rule No. 31, governing advance charges:

Charges Not to Be Advanced to Shippers, Etc.

31. No charges of any description will be advanced to shippers, owners, consignees or agents thereof; nor to draymen or warehousemen for shippers, owners, consignees or agents thereof.

This rule will also be found indexed under the word "Charges, not to be advanced to shippers," in the same index of rules, the purpose being to make the indexing so complete that it may be located either under "advance" or "charges."

(4) **Rules and Conditions of Shipment.** In each of the three interstate classification schedules is a section devoted to a set of rules governing conditions of shipment, car sizes, packing and packages, bills of lading, loss, damage and liability of the carrier, gross, net, and estimated weights, minimum carload weights, special equipment (cars), markings, claims, etc., each numbered as indicated in the index explained in sub-section (c).

Most of the state classification schedules have similar rules, arranged in the same general manner.

Those rules in the classification schedule which govern the form and condition of packing articles for shipment, arise out of the contractive relations of the carrier and the shipper. When you take your goods down to the freight depot of the carrier and tender them for shipment, you sign a bill of lading which contains a description of your goods and the directions for the movement of your shipment. The law governing carriers holds the carriers responsible to you to deliver your goods to consignee at the designated destination in the same condition in which the carrier received them. This means that the carrier is responsible for loss or injury to goods from the moment

the bill of lading is signed till the time that the consignee signs his receipt for them at their destination. While the law holds the carrier to this strict accountability for loss or damage, it permits the carrier to protect itself by reasonable rules governing its acceptance of shipments to prevent its becoming liable for injury to goods, which results from the carelessness and negligence of shippers. Suppose you were to wrap up a dozen panes of window glass in common paper and twine, and tender it to the carrier for shipment. The carrier would be justified, morally and legally, in declining to accept the shipment, because it is clearly apparent that the glass could not be transported in that condition without breakage. The chemical nature of many articles makes them dangerous to transport, and rules must be made to require their safe packing for shipment.

The carrier, therefore, must make rules governing the packing and safeguarding of shipments in its custody for transportation, not alone for its own benefit, but for the protection of shippers and their goods.

(5) **Index of Articles.** The larger portion of the index part of the classification schedule is given over to an elaborate index of the articles classified and rated. This list of articles is alphabetical, showing the page and the item in which the classification and rating of the article appear in the main body of the schedule. Thus:

INDEX TO ARTICLES.

Articles are specified in this Index under their "Noun" denomination, and where "Nouns" are not deemed sufficiently distinctive, under their "Adjective" also.

"N. O. I. B. N." stands for "Not otherwise indexed by name."

A		Page Item		Page Item	
Abrasive	Cloth	and		Aerators or Coolers, Milk	
Paper		36	1 to 4	or Cream	44 12
Absorbent Cotton		92	7	Almond Paste	47 21
Adse Heads		151	23	Almonds	47 20

The commonly accepted commercial name of an article is used in the alphabetical arrangement of the index of articles.

- (6) **Classification of Articles.** In the Official Classification schedule, you will find the following ratings assigned to the articles constituting "Abrasive Cloth and Paper":

		Subject to Uniform Bill of Lading Conditions	
A		L. C. L.	C. L.
1 ABRASIVE CLOTH AND PAPER:			
2 Alundum, Carborundum, Corundum or Emery Cloth:			
In boxes, bundles, crates or rolls.....		3	..
In packages named, straight or mixed C. L., min. wt., 36,000 lbs.	5
3 Alundum, Carborundum, Corundum, Emery, Flint or Sand Paper:			
In boxes, bundles, crates or rolls.....		3	..
In packages named, straight or mixed C. L., min. wt., 36,000 lbs.	5
4 Acetanilid:			
In glass, packed (C. L., min. wt., 24,000 lbs.) (subject to Rule 27)		1	3
N. O. S. (C. L., min. wt., 24,000 lbs.) (subject to Rule 27)		1	3

		Subject to Uniform Bill of Lading Conditions	
A		L. C. L.	C. L.
ACIDS—Continued.			
9 Acetic, Glacial or Liquid:			
In carboys		1	..
In carboys, C. L., min. wt. 24,000 lbs. (subject to Rule 27)	5
In glass or earthenware, packed in barrels or boxes...		1	..
In glass or earthenware, packed in barrels or boxes, C. L., min. wt. 30,000 lbs.....		..	3
In bulk in barrels.....		3	..
In bulk in barrels, C. L., min. wt. 30,000 lbs.....		..	5
In tank cars (see Note 1).....		..	5
10 Arsenic, in carboys (C. L., min. wt. 24,000 lbs.) (subject to Rule 27)			
		1	5
11 Boracic:			

You will note that ratings are assigned for less than carload quantity and for the carload lot, each rating being subject to the conditions of the Uniform Bill of Lading.

The same arrangement of articles and of numerals indicating the class ratings is used in the Western Classifica-

tion, with the slight differences that the columns are not ruled, and that letters of the alphabet are employed for designating its lower classes.

The arrangement in the Southern Classification schedule, however, is slightly different in the order of the articles and in the arrangement of the columns in which the numerical ratings are shown. Thus, no carload rating is assigned in the case of abrasive cloth; but where a carload rating is assigned, as in the case of "Acetate Liquor, crude," the rating numerals and letters are all placed in a single vertical column for both less than carload and carload quantities, as illustrated in the second excerpt following.

The letter "A" appearing at the top of these excerpts shows how the schedule uses alphabetical divisions in the arrangement of the articles.

A	Class if Released
Abrasive Cloth or Paper:	
†Alundum, Carborundum, Corundum or Emery Cloth, in boxes, bundles, crates or rolls.....	2
†Alundum, Carborundum, Corundum, Emery, Flint or Sand Paper, in boxes, bundles, crates or rolls.....	3
*Acetate Liquor, crude:	
In barrels, L. C. L.....	3
In barrels, C. L., min. wt. 30,000 lbs.....	5
In tank cars, C. L., subject to Rule 32. Weight for computation 8.44 lbs. per gallon, see Rule 32, Section 4.....	5
ACIDS.	Class
Acetic, Glacial or Liquid:	
In carboys, L. C. L.....	1
Acetic, Glacial or Liquid:	
In carboys, C. L., min. wt. 24,000 lbs.....	4
In glass or earthenware, packed in barrels or boxes, L. C. L....	1
In glass or earthenware, packed in barrels or boxes, C. L., min. wt. 30,000 lbs.	5
In bulk in barrels, L. C. L.....	3
In bulk in barrels, C. L., min. wt. 30,000 lbs.....	5
In tank cars, C. L., subject to Rule 32.....	5

You will note that in the classification of "Acids," the ratings assigned for both the less than carload and the carload quantities differ according to the manner in which the particular acid may be packed for shipment. For instance, glacial or liquid Acetic Acid, in less than carload quantities, is rated first-class when in carboys, but third-class when in bulk in barrels. In the carload quantity in bulk in barrels, it is rated fifth-class; but when a carload of acetic acid is shipped in carboys, it is rated fourth-class.

These differences in ratings, according to the manner of packing, are present in the majority of the articles in the classification. You should study such ratings, therefore, with minute care so that you may make the preparation of your shipments conform to the more favorable features of the ratings.

(7) **Explanatory Characters.** Each of the classification schedules employs certain symbols, characters, and abbreviations, for explanatory purposes, but the precise meaning of each of such symbols or characters is not always the same in each of the classifications mentioned.

Official Classification employs the following explanatory characters:

1a

CLASSIFICATION

EXPLANATION OF CHARACTERS.—The Class is given opposite each article. 1, 2, R. 25, 3, R. 26, R. 28, 4, 5, and 6 stand for First, Second, Rule 25, Third, Rule 26, Rule 28, Fourth, Fifth and Sixth Classes, respectively. 1¼ for Once and a Quarter First Class. 1½ for Once and a Half First Class. D1 for Double First Class. 2¼ for Twice and a Half First Class. 3 t 1 for Three Times First Class. 4 t 1 for Four Times First Class (being the progression of classes above First Class). C. L. for Car Load. L. C. L. for Less than Car Load. S. U. for Set Up. K. D. for Knocked Down. P. P. for Prepaid. N. O. I. B. N. for Not Otherwise Indexed By Name. N. O. S. for Not Otherwise Specified.

Articles not Enumerated will be classed with Analogous Articles (see Rule 23).

Examine this Classification Carefully.

There are Important Changes.

▲ Denotes Reductions.

● Denotes Increases.

† Denotes Changes other than reductions or increases.

★ Denotes Additions.

Western Classification uses the following explanatory characters:

2a

WESTERN CLASSIFICATION.**EXPLANATION OF CHARACTERS.**

The figures given after articles, signify:

1—First Class.	First Class.
2—Second Class.	4t1—Four Times First Class.
3—Third Class.	(Progression of Classes above First Class is by One-half Classes.)
4—Fourth Class.	Classes A, B, C, D, and E refer to Table of Rates.
5—Fifth Class.	C. L.—Car Load.
1½—One and One-half Times First Class.	K. D.—Knocked Down.
D1—Double First Class.	L. C. L.—Less than Car Load.
2½t1—Two and One-half Times First Class.	Min. wt.—Minimum weight.
3t1—Three Times First Class.	S. U.—Set Up.
3½t1—Three and One-half Times	△ Denotes reductions.
	♦ Denotes advances.

Southern Classification employs the following explanatory characters:

3a

SOUTHERN CLASSIFICATION.**EXPLANATION OF ABBREVIATIONS, CHARACTERS AND TERMS.**

½F stands for One-half of Class F.	N. O. I. B. N. stands for Not Otherwise Indexed By Name in this Classification.
1 stands for First-Class.	N. O. S. stands for Not Otherwise Specified in this Classification.
2 stands for Second-Class.	S. U. stands for Set Up.
3 stands for Third-Class.	K. D. stands for Knocked Down.
4 stands for Fourth-Class.	* Denotes Addition.
5 stands for Fifth-Class.	† Denotes Change.
6 stands for Sixth-Class.	△ Denotes Reduction.
1½ stands for 1½ Times First-Class.	☒ Denotes Advance.
D1 stands for Double First-Class.	The term "same as" means that the classified ratings for such articles are identical.
3T1 stands for Three Times First-Class.	
4T1 stands for Four Times First-Class.	The term "same rates as" or ".... rates" means that such articles are rated by the classification, or if commodity rates are in effect, such commodity rates will apply in lieu of the classified ratings.
A, B, C, D, E, F and H stands for Classes A, B, C, D, E, F and H, respectively.	
L. C. L. stands for Less than Car Load.	
C. L. stands for Car Load.	
Lbs. stands for Pounds.	
Min. Wt. stands for Minimum Weight.	Other characters are explained on pages on which they appear.

Aside from the numbering and lettering of the classes, the symbols, characters, and abbreviations employed by the Official and Southern Classification schedules are the same. But the Western Classification's symbols for denoting advances and reductions differ from those of the Official and Southern schedules.

(8) **Groups or Classes of the Interstate Classification Schedules.** The number of groups or classes to which articles are assigned for ratings differs in the Official, Western, and Southern Classification schedules.

The Official Classification consists of nine numbered classes, as follows:

Class	Class	Class	Class	Class	Class	Class	Class	Class
1	2	Rule 25	3	Rule 26	Rule 28	4	5	6

The Western Classification consists of ten groups or classes, five numbered and five lettered, as follows:

Class	Class	Class	Class	Class	Class	Class	Class	Class	Class
1	2	3	4	5	A	B	C	D	E

The Southern Classification consists of thirteen groups or classes, six numbered and seven lettered, as follows:

Class	Class	Class	Class	Class	Class	Class
1	2	3	4	5	6	
Class	Class	Class	Class	Class	Class	Class
A	B	C	D	E	F	H

Progressions above first class are made by the addition of half classes and multiples thereof, in each of the three classifications.

§ 3. How Classification Schedules May Be Procured by the Shipper.

The Act to Regulate Commerce (the Interstate Commerce law) does not require the carrier to furnish its

tariffs to the shipper. It is only required by the law to quote its rates when a shipper demands in writing the rate on a specifically described article from one designated point to another designated point; then the carrier's quotation of rates must be in writing. Since the classification schedule is a tariff, the carriers are not bound by the law to supply you with copies of it, but they are bound to furnish you with written quotation of their ratings on any specified article upon written demand by you therefor.

There is a general practice throughout the entire country, however, for the carriers to furnish the shippers with tariffs upon request. Most railroads also furnish their important shippers with copies of the current classification schedules affecting the shipper's traffic.

The classification committee, or the agent publishing and filing the classification schedule, is not authorized to and will not distribute copies of classification schedules to shippers, free of charge. If you desire to procure the classification schedule free, you should make application therefor to the local, division, or general freight agent, of the line handling your traffic. The most satisfactory place to make application for a free copy of the classification schedule is to the division or general freight agent or chief of tariff bureau of the line handling your shipments.

Copies of classification schedules, with all supplements, issued by either the Official, Western, or Southern classification committees, will be furnished by such committees for one dollar apiece.

§ 4. Application of Classification Schedules. How Determined.

As stated in a preceding section, the classification schedule serves no complete purpose in itself. The tariff of rates is the complement of the classification schedule

necessary to make it serve its complete purpose, the ultimate establishment of a rate. The tariff of rates and the classification schedule are mutually dependent; each is of no avail without the other.

Suppose that you undertake to ship a box of dry goods from New York City to Dayton, Ohio. You first determine the application of the classification schedule by reference to the title page of the tariff naming the rate. In this case, you would find that the tariff would be governed by the Official Classification. By referring to the Official Classification schedule you will find dry goods classified as first class. So far, you have ascertained the classification rating, but not the rate. The next step is to determine the rate in the tariff applying on goods classified as first class.

The only way that you can determine what classification to use on any given shipment is by referring to the tariff which names the rate, the classification application being stated plainly on the face of the tariff. On the title page of the tariff there is reference also given to the exceptions to the classification to be used in connection with that particular tariff if any. Where the tariff states it is governed by exceptions "as noted herein," there are no other exceptions to be used in connection with this tariff other than the exception shown in the tariff itself. Where the tariff reads "governed by the Western Classification," for instance, such as on Texas traffic with exceptions applicable to Texas traffic, then the Western Classification will have to be used in connection with the Texas exceptions as published by the Southwestern Tariff Committee. Where the tariff reads "governed by the Official Classification, with exceptions as published in Morris' Tariff No. 130 series," then the Official Classification would have to be used in connection with the exceptions published by

Agent Morris. Where the tariff reads "governed except as otherwise provided herein by the Southern Classification, by exceptions to such classification as shown in Note 42," you would use the Southern Classification in connection with the exceptions as shown under Note 42 in the Southern Classification. Application of classification cannot be determined in any manner except by reference to the tariff itself, as there are no definite boundaries to any classification territory and no limitations set on the application of classification. For instance, proportional rates from Milwaukee to Virginia cities, on shipments destined to the Carolina territory, are governed by the Southern Classification, while on shipments destined to the Virginia cities proper, the Official Classification would govern. The same is true also of shipments moving from Chicago to Cincinnati, destined to Southeastern territory, the tariff naming the proportional rates being governed by the Southern Classification while the tariff naming local rates is governed by the Official Classification. Local rates on shipments from Chicago moving to Cairo, Illinois, are governed by the Illinois Classification, while proportional rates on shipments destined to Southeastern and Carolina territory are governed by the Southern Classification. These cases are given in order to show that the tariff naming the rates in all cases must be consulted in order to determine the classification application.

(1) Determining the Application of Class Rates to Shipments. Application of class rates can only be determined by a knowledge of the tariffs published by individual carriers and by agents, covering the movement of traffic in various portions of the country.

(2) Classification Schedule Governing Through Rates. If a shipment originates in one classification territory and

passes over into another classification territory, moving on a **through** rate, one classification will govern through, from origin to destination. It may be the classification governing the territory in which the shipment originated, or it may be the classification governing in the territory to which the shipment is destined, but a single classification will govern the **through** rate.

(3) **Classification Schedules Governing Combination Rates.** On shipments moving from points in one classification territory to points in another classification territory, where no through rates are in effect, combination rates made either on a local or proportional basis apply. An example of the use of a proportional rate is found in the case of a shipment moving all rail from New York City to Topeka, Kansas. In this case, the combination rate is made by using the proportional rate published by the line originating the business at New York City up to the Mississippi River, a tariff governed by the Official Classification, and the proportional rate published by the Western Trunk Line from the Mississippi River to Topeka, Kansas, which is governed by the Western Classification.

A shipment moving from Winnipeg, Manitoba, to Tampa, Florida, illustrates a movement in which local and proportional rates are used. As no through rates are in effect, a combination rate may be made on Minnesota Transfer, the Ohio River, and Jacksonville, Florida. The tariff naming the local rate from Winnipeg to Minnesota Transfer is governed by the Canadian Classification; the tariff naming the proportional rate from Minnesota Transfer to the Ohio River is published by the Western Trunk Line Committee and is governed by the Western Classification; the tariff naming the proportional rate from the Ohio River Crossing to Jacksonville, Florida, is published

by the Southeastern Freight Association, and is governed by the Southern Classification; and the tariff naming the local rate from Jacksonville, Florida, to Tampa, published by Agent Hinton, is governed by the Florida exceptions to the Southern Classification.

An example of the classification schedules governing a combination of local rates is the case of a shipment moving from Calgary, Alberta, to Chicago, Illinois. As no through rates are in effect, a combination is made on Minnesota Transfer. The local rate up to Minnesota Transfer is governed by the Canadian Classification, and the local rate from Minnesota Transfer to Chicago, published by the Western Trunk Line Committee, is governed by the Western Classification.

§ 5. Territorial Application of Official, Southern and Western Classifications.

(1) Official Classification Applications and Overlaps from Official Classification Points.

1a. Traffic to Texas, Oklahoma, and Arkansas. Where through rates are published from Central Freight Association to Texas, Oklahoma and Arkansas, the through rates are governed by the Western Classification.

2a. Traffic to Arizona. Where through rates are published from Central Freight Association, Trunk Line and New England territories to Arizona by the Trans-Continental Freight Committee, through rates are governed by the Western Classification from point of origin to point of destination.

3a. Traffic to Colorado and Utah. To the western portion of Utah through rates are published by the Trans-

Continental Freight Bureau and these through rates are governed by the Western Classification from point of origin to the point of destination. To Salt Lake City and Utah Common Points, a combination being made on the Mississippi River, the Official Classification would govern to the Mississippi River and the Western Classification beyond. The same conditions exist in regard to Colorado traffic, a combination being made on the Mississippi River, the Official Classification governing up to the Mississippi River and the Western Classification governing beyond.

4a. Traffic to Oregon, Washington, Idaho and Nevada. Where through rates are published from points in Central Freight Association, Trunk Line and New England territories to points in Oregon, Washington, Idaho, and Nevada, the tariffs of the Trans-Continental Freight Bureau naming through rates are governed from point of origin to destination by the Western Classification.

5a. Traffic to Canada. On traffic originating in Trunk Line, New England and Central Freight Association territories destined to points in Western Canada there are no through rates except to the British Columbia Coast Terminals, and from Buffalo, Black Rock and Suspension Bridge, N. Y. Rates to terminals are published by the Trans-Continental Freight Bureau and are governed from point of origin to destination by the Western Classification. To points east of the British Columbia Terminals a combination is made on Minnesota Transfer, Duluth, St. Paul, Port Arthur, or Fort William, and the Official Classification governs up to the points indicated and the Canadian Classification beyond. From Buffalo, Black Rock and Suspension Bridge to points in the Canadian Northwest, through rates are published governed by the

Canadian Classification. To the eastern portion of Canada, where through rates are published, such are governed by the Official Classification.

6a. Traffic to Mexico. There are at present no through rates to the Mexican Common Points from Central Freight Association, a combination being made on the Rio Grande crossings, the Western Classification governing from point of origin to the Rio Grande crossings and the Mexican Classification beyond.

7a. Traffic to Cuba. Rates from New Orleans, Mobile, and Galveston to Cuban ports are governed by the Official Classification.

8a. Traffic to Southeastern Territory. Where through rates are published from Trunk Line and New England Territory, also from Central Freight Association to Southeastern Territory, such through rates are governed by the Southern or Official Classification.

9a. Traffic to Florida and North and South Carolina and Georgia. Where through rates are published to Florida, North Carolina, South Carolina, and Georgia, from Central Freight Association, Trunk Line and New England territories, such through rates are governed by the Southern Classification.

10a. Traffic to Virginia. From Central Freight Association territory to points in Virginia on and north of the line of the Norfolk and Western Railway through rates are governed by the Official Classification. Where shipments are destined in Virginia south of a line along the N. & W. Railway, a combination is made on Virginia

cities, the Southern or Official Classification governing up to Virginia gateways and the Southern Classification beyond.

11a. Traffic to Alabama. Where through rates are published from Central Freight Association, Trunk Line and New England territories to Alabama, such through rates are governed by the Southern Classification.

12a. Traffic to Louisiana East of the Mississippi River. Where through rates are published from Official Classification territory to points on and east of the Mississippi River in Louisiana, such through rates are governed by the Southern Classification.

13a. Traffic to Mississippi. Where through rates are published from Central Freight Association, Trunk Line and New England points, the tariffs are governed by the Southern Classification.

14a. Traffic to Kentucky. Where through rates are published from Trunk Line, New England and Central Freight Association territories to Kentucky points, the tariffs are governed by the Official Classification in some instances and by the Southern in others.

15a. Traffic to Tennessee. Where through rates are published from Trunk Line, New England and Central Freight Association territories to Tennessee, such tariffs are governed by the Southern or Official Classification.

(2) Western Classification Applications.

1a. Transcontinental Traffic. Class and commodity tariffs of the Transcontinental Freight Association are governed by the Western Classification.

2a. Traffic to Official Classification Territory. From points in Trans-Mississippi territory where rates are made to Central Freight Association territory east of the Indiana and Illinois state line, also Trunk Line and New England territories, proportional rates up to the Mississippi River are governed by the Western Classification. The proportional rates from the East bank of the Mississippi River to points of destination are governed by the Official Classification.

3a. Traffic to the Mississippi Valley. From points in Western Classification territory to the Mississippi Valley where through rates are published, they may be governed by the Southern or Western Classification, depending on point of origin and destination.

4a. Illinois Application. From Milwaukee to East St. Louis, St. Louis, Mo., also to points in Iowa and Missouri located on or adjacent to the west bank of the Mississippi River, also to points in Illinois, through rates are governed by the Illinois Classification; also traffic moving within the State of Illinois.

5a. Traffic to Mexico. There are at present no through rates to the Mexican common points, a combination being made, on the Rio Grande crossings, by using the Western Classification up to the Rio Grande crossings and the Mexican Classification beyond.

6a. Traffic to Canada. From points in Western Classification territory to Canadian Freight Association territory, where through rates are published in Trans-Continental tariffs, such rates are governed by the Western Classification. From points in Trans-Mississippi River

territory a combination is made on the Mississippi River, the Western Classification governing up to the Mississippi River and the Official Classification beyond. To points in Western Canada where no through rates are published except to British Columbia terminals and where a combination is made on Minnesota Transfer, St. Paul or Duluth, the rates up to Duluth, and basing points indicated, are governed by the Western Classification, while the rates beyond the points shown are governed by the Canadian Classification.

7a. Traffic to Southeastern Territory. Where combination rates are made on Memphis, or the Ohio River, the rates up to Memphis or the Ohio River are governed by the Western Classification and the rates from the Ohio River or Memphis are governed by the Southern Classification.

8a. Exceptions to the General Application of the Western Classification Ratings. Exceptions to classification on Western Classification ratings are published by the Trans-Missouri Freight Bureau, and Pacific Freight Bureau, also by the Southwestern Lines and the Western Trunk Line and in some cases by the individual carriers. Exceptions should not be used except where specific reference is made thereto on the title page of or in the tariff naming the rate.

9a. Traffic Destined to Points in Southern Classification Territory. Where shipments originate in Western Classification territory and are destined to points in the Mississippi Valley, through rates are governed in some cases from point of origin to destination by the Southern Classification and in other cases the Western Classifica-

tion. The classification to be used can only be determined by reference to the tariff naming the rates. Where shipments are destined to points in Southeastern and Carolina territory the Western Classification usually applies up to the basing points; for instance, to the Ohio River crossing or Memphis and the Southern Classification beyond.

10a. Exception as to New Orleans and Memphis Rate Points. Traffic originating in Texas and destined to New Orleans is governed by the Western Classification.

Rates from New Orleans to Cedar Rapids, Iowa, Duluth, Minn., and Lincoln, Nebr., and other Missouri River crossings, are governed by the Western Classification, also rates from New Orleans to points in Oklahoma and Texas, also to Pacific Coast points covered by Trans-Continental tariffs; also rates from Colorado common points and Utah common points from Memphis to the Missouri River crossings are governed by the Western Classification. Rates from Memphis to Arkansas, Oklahoma, Kansas, Nebraska, Colorado common points, and Utah common points, also to points in Texas, are governed by the Western Classification.

11a. Application at the Missouri River Crossings.

1b. Kansas. Rates between the Missouri River crossings and points in Kansas are governed by the Western Classification.

2b. Iowa. Rates between the Missouri River crossings and points in Iowa are governed in some instances by the Western Classification and in others by the Iowa Classification.

3b. **Illinois.** Rates between Missouri River crossings and points in Illinois are governed by the Western Classification.

4b. **Missouri.** Rates between the Missouri River crossings and Missouri are governed by the Western Classification.

5b. **Montana.** Rates between the Missouri River crossings and points in Montana are governed by the Western Classification.

6b. **North Dakota.** Rates between Missouri River crossings and North Dakota points are governed by the Western Classification.

7b. **South Dakota.** Rates between Missouri River points and South Dakota are governed by the Western Classification.

8b. **Utah.** Rates between Missouri River points and Utah points are governed by the Western Classification.

9b. **Northern Peninsula of Michigan.** Rates to the Northern Peninsula of Michigan are governed by the Western Classification.

10b. **Minnesota.** Rates between Missouri River crossings and Minnesota are governed by the Western Classification.

11b. **Wisconsin.** Rates between Missouri River crossings and Wisconsin are governed by the Western Classification.

(3) Southern Classification Applications.

1a. Traffic to Official Classification Territory. On shipments moving from New Orleans, Port Chalmette, and points taking the same rates, to Bay City, Mich., Cleveland, Ohio, Columbus, Ohio, Dayton, Ohio, Detroit, Mich., Fort Wayne, Ind., Grand Rapids, Mich., Springfield, Ohio, Toledo, Ohio, and points taking same rates, through rates are governed by the Official Classification. On shipments moving from same points of origin to Chicago, Ill., and Cincinnati, Ohio, Louisville, Ky., Milwaukee, Wis., St. Louis, Mo., through rates are governed by the Southern Classification.

On shipments moving from points in Alabama, Florida, Georgia, North Carolina, Tennessee, and Virginia, to Chicago, Ill., Indianapolis, Ind., Milwaukee, Wis., and points taking same rates, through rates are governed by the Southern Classification.

2a. Southeastern Basing Points to Trunk Line Territory. On shipments moving from points in Alabama, Florida, Georgia, North Carolina, South Carolina, Tennessee and Virginia, to points in Trunk Line and New England territory, through rates are governed by the Southern Classification.

3a. Interior Southeastern Points to Trunk Line Territory. From interior Southeastern points to Trunk Line territory when combination rates are made on Southeastern common, or basing points, the rates are governed to the junctions by the Southern Classification and exceptions applicable to the particular points of origin, and from basing points to Trunk Line and New England territory by the Southern Classification.

4a. Traffic to Western Termini of Trunk Lines and Central Freight Association Territory. Traffic to termini points is governed by the Southern Classification, and traffic to Central Freight Association points, where through rates are published, by the Southern Classification in some instances and in others by the Official Classification. Reference to tariffs naming the rates is necessary to determine classification application.

5a. Trans-Continental Traffic. Where through rates are published from Southern Classification territory to Trans-Continental territory, such through rates are governed by the Western Classification.

6a. Through Westbound Rates. Where through rates are published from Southern Classification territory, as for instance to Texas common points, such through rates are governed by Western Classification.

7a. Combination Westbound Rates. Where a combination of rates is made to the territory of the Western Classification from Southeastern and Carolina territory, the tariffs naming the rates up to the junction points, such as Memphis, or Ohio River crossings, are governed by the Southern Classification, while the tariffs applying beyond the Ohio River crossings or Memphis, are governed by the Western Classification.

8a. Application to Idaho, East of Kuna. From Southeastern or Carolina territories, where combination rates are made on the Ohio River or Memphis, the Southern Classification governs up to the Ohio River or Memphis and the Western Classification beyond.

9a. Illinois. Through rates from New Orleans, and Port Chalmette, and points taking same rates to Cairo, Ill., Chicago, Ill., and points taking same rates, are governed by the Southern Classification.

From points on the N., C. & St. L. Ry., through rates are published, and are governed by the Southern Classification, with an alternative application of tariffs providing that if the rates from the Ohio River crossings or East St. Louis as governed by the Illinois Classification, or the rates from Evansville, Ind., Brookport, Ill., or Cairo, Ill., as governed by the Official Classification, make a lower basis, the lowest basis is to be applied.

10a. Iowa. Northbound rates from New Orleans, Port Chalmette, La., and points taking same rates to Dubuque, Iowa, are governed by the Southern Classification. This applies also to points in Iowa taking Dubuque rates. The rates from New Orleans, Port Chalmette and points taking same rates to Cedar Rapids, Iowa, Sioux City, Iowa, and points taking same rates are governed by the Western Classification. From points on the N., C. & St. L. Ry., proportional rates to the Ohio River or East Louis are governed by the Southern Classification, the rates beyond are governed by the Western Classification. From Southeastern and Carolina points, where no through rates are in effect, a combination is made on the Ohio River or East St. Louis, and the Southern Classification governs up to the Ohio River or East St. Louis and Western Classification beyond.

11a. Kansas. From points in Southeastern and Carolina territory, where no through rates are in effect, a combination is made on the Ohio River or Memphis; the rates up to the Ohio River or Memphis are governed by the

Southern Classification, and beyond by the Western Classification.

12a. Northern Peninsula of Michigan, Minnesota and Wisconsin. From Southeastern and Carolina territory where no through rates are in effect, a combination of rates is made on the Ohio River or East St. Louis. The rates up to the Ohio River or East St. Louis, are governed by the Southern Classification and beyond by the Western Classification.

13a. Missouri. Through rates from Carolina territory and Southeastern territory to St. Louis, Mo., and points taking the same rates are governed by the Southern Classification. Where no through rates are in effect and a combination is made on the Ohio River or Memphis, the Southern Classification governs up to the Ohio River or Memphis and the Western Classification beyond.

14a. Montana. Where no through rates are in effect a combination rate is made from Southeastern and Carolina territory, on the Ohio River or Memphis, the Southern Classification governs up to the Ohio River or Memphis, and the Western Classification beyond.

15a. Nebraska. From Southeastern and Carolina territory where no through rates are in effect, combination rates are made on the Ohio River or Memphis and the rates up to the Ohio River or Memphis are governed by the Southern Classification. Rates beyond the Ohio River or Memphis are governed by the Western Classification.

16a. North and South Dakota. From points in Southeastern and Carolina territory to North and South Dakota,

where there are no through rates in effect, a combination of rates is made on the Ohio River and St. Paul or Missouri River, the rates up to the Ohio River are governed by the Southern Classification, and the rates beyond are governed by the Western Classification.

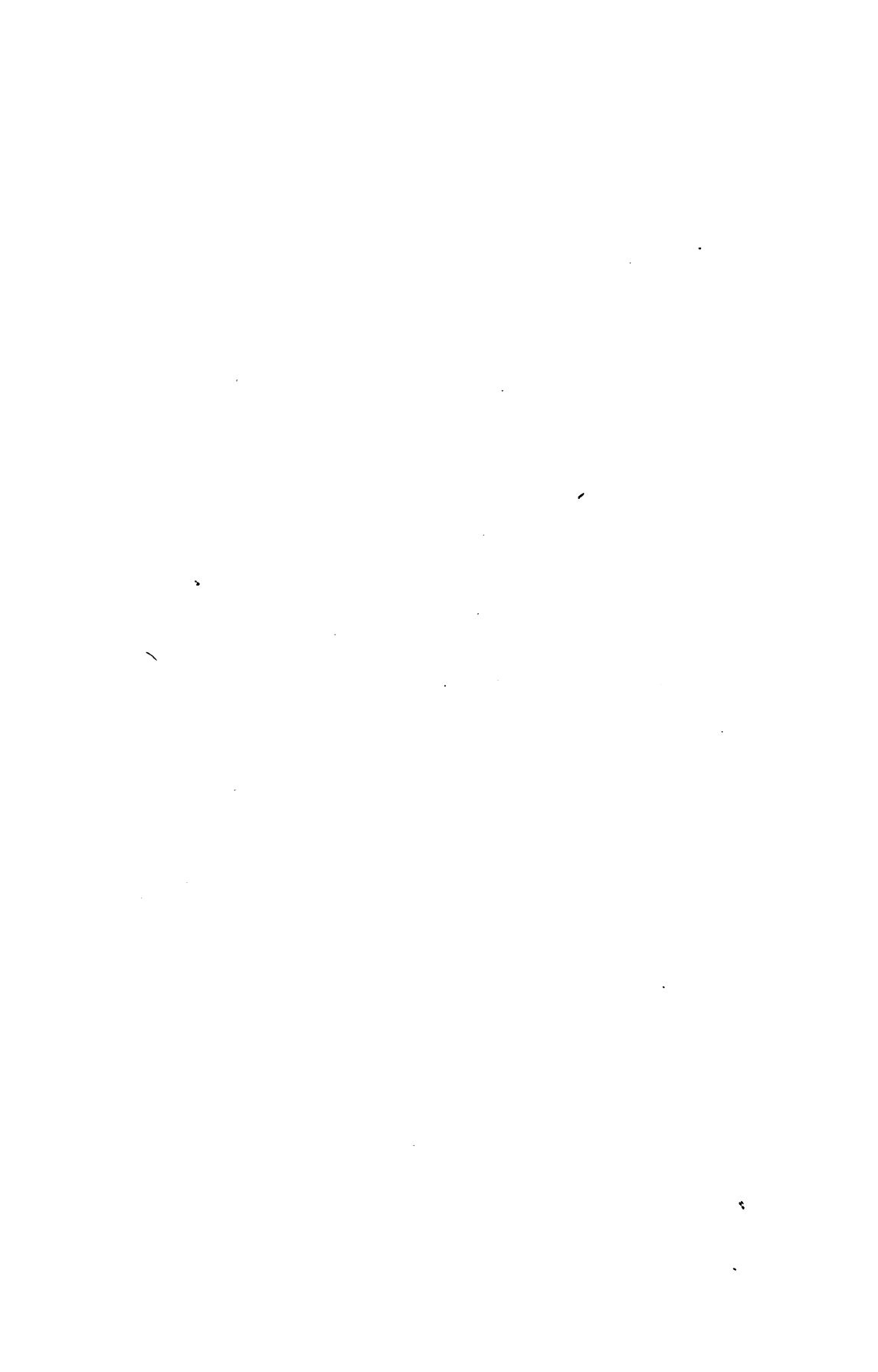
17a. Utah. Where no through rates are in effect from Southeastern Carolina territory, a combination of rates is made on the Ohio River crossings, or Memphis, the Southern Classification governing up to the Ohio River or Memphis and the Western Classification governing beyond.

These are the applications generally speaking and given for the purpose of showing that there are no definite boundaries to the classification territories, and that the proper method of determining the classification to be used in connection with any given shipment is by reference to the tariff naming the rate or combination of rates. Classification application cannot be determined in any other manner. You should also be very careful to consult exceptions to the classification where tariffs are governed by exceptions. Generally speaking, the title page of the tariff shows the application of classification and exceptions that should be used in connection with the tariff. If you read the tariff carefully you will be able to determine what classification to use, also what exceptions to use in connection with the tariff itself.

CHAPTER VI.

EXCEPTIONS TO THE APPLICATION OF CLASSIFICATION SCHEDULES.

- § 1. Reasons for Exceptions to Classification.**
- § 2. Tariff Exceptions to Classification Schedules. How Determined.**
- § 3. Tariff Exceptions to Classification Schedules. How Applied.**



CHAPTER VI.

EXCEPTIONS TO THE APPLICATION OF CLASSIFICATION SCHEDULES.

§ 1. Reasons for Exceptions to Classification.

You will recall that the Official Classification, as established by the Official Classification Committee and filed by the several lines through their lawfully appointed agent, has for its immediate purpose the fixing of a general uniform basis of classifying and rating articles within a very large territory.

It frequently happens that the rating established by the general classification for a given article, or the conditions governing the use of such rating, such as quantity constituting a minimum carload, packing requirements, length of haul, equipment used, etc., as applied to such traffic on a certain line of railroad, or within a given area or territory, might restrict the movement of the traffic, or in an extreme case, prevent it altogether. In such a case, the line or lines of railway affected must either publish a commodity rate on such traffic or stop the operation of the general classification by an exception to it. These exceptions are published in different ways. Sometimes the individual line publishes the exception, and sometimes lines in a given territory similarly affected authorize the publication of exceptions by an agent.

In each of the three classification committees establishing interstate classifications—Official, Western, and Southern—individual lines, as a condition of membership,

reserve the right to publish individual exceptions to the general classification basis, and to join collectively in the establishment of exceptions for a given territory, through some tariff-issuing agent.

§ 2. Tariff Exceptions to Classification Schedules. How Determined.

Exceptions to general classifications, when established by individual lines, are published in two ways: (1) By incorporating the exceptions as numbered or lettered "notes" in their tariffs of rates, explaining the application of the exception to the rate; and (2) in separate tariff form, following the form of the general classification schedule to which exception is made, and designated as "Exceptions to Official Classification," or whatever general classification the exceptions affect. Such a schedule of exceptions must be published in tariff form and must, like other tariffs, meet the requirements of the law and of the Interstate Commerce Commission, in its construction, publication, and filing.

In the case of a state classification, operating as an exception to the general classification governing the territory in which the state is situated, and applying on interstate traffic, either such classification must be filed with the Interstate Commission in accordance with its regulations, or an application of the state exception must be published in tariff form by the carrier using it, and filed by such carrier with the Interstate Commerce Commission.

Exceptions to the general classification are established, through a lawfully appointed agent, by lines collectively, but with varying applications to meet situations on individual lines. A schedule of exceptions thus established through an agent must be made in tariff form and must

meet the regulations of the Interstate Commerce Commission in construction, publication and filing.

§ 3. Tariff Exceptions to Classification Schedules. How Applied.

The use of established exceptions to classification is governed absolutely by the rules of tariff application.

When an exception is lawfully published and filed, it takes precedence over the provisions of the general classification, in accordance with the terms of application of the exception, both traffically and territorially. Thus, the Exceptions to Official Classification, issued by Agent Morris, take precedence over the Official Classification exactly as indicated and explained, both as to the articles and territory affected, in the exception schedule. Thus, the Official Classification provides a rating on a carload quantity of 36,000 pounds for a certain commodity. This rating and carload minimum, if there were no exception made to it, would govern the movement of such commodity in carload lots in the three territories governed by Official Classification ratings—New England States, Trunk Line, and Central Freight Association. Suppose, however, that conditions obtained on the lines in Central Freight Association, which do not exist on the lines in the other two territories, conditions that made it attractive to the Central Freight Association lines to move the commodity in carload lots of a minimum of 40,000 pounds at a rate resulting from a rating a class lower than is applied in the general classification to carload lots of 36,000 pounds. A rating one class lower, applying to carload lots of 40,000 pounds minimum, would be published in the schedule of Exceptions to Official Classification established by Central Freight Association lines, and such lower rating and higher carload minimum would govern movements of the

article over the lines of Central Freight Association roads, instead of the higher rating and lower minimum established by the Official Classification, exactly in accordance with the territorial application designated in the Exception Schedule.

Exceptions to classification should be used only when tariffs give specific reference to them. For example, the Western Classification and the Southwestern exceptions should be used, in applying Southwestern Lines Tariff No. 1 Series which reads on the title page, "Governed except as otherwise provided herein by Western Classification, or reissues thereof, and Southwestern Lines Classification exceptions and Rule Circular No. 1 Series, or reissues thereof." If the exceptions provide a lower basis than could be made by use of the Western Classification, it is proper to use the ratings thus provided. These exceptions would also be used if they provide a higher basis than the Classification as, in such a case, they would take precedence over the Classification even though they resulted in higher rates.

CHAPTER VII.

METHODS OF CLASSIFYING PROPERTY.

- § 1. Inherent Nature of the Article.**
- § 2. Quantity Shipped.**
- § 3. Packing Requirements.**
- § 4. Rules Governing Risk and Liability.**

CHAPTER VII.

METHODS OF CLASSIFYING PROPERTY.

§ 1. Inherent Nature of the Article.

The word "classification," in its literal sense, means, when applied to objects of a physical nature, a methodical arrangement of such objects into classes according to standards of similarity. If objects are to be classified according to a large number of points of similarity, the classes of arrangement will be much greater than if the classification is accomplished according to one or two standards of similarity. Thus, if articles of commerce were classified according to their substance or the material of which they are made, the resulting classes would be no more in number than the number of different materials employed. But, for purposes of transportation, the material of which an article is made is not of paramount importance. The greatest factors of importance in the classifying of articles for transportation are (1) the amount of service, its quality, and cost required to move the article, and (2) the competitive conditions, both commercial and traffic, which must be met by the carrier in order to induce a profitable movement of the article. The latter conditions are responsible for many of the exceptions to classification which we have been discussing.

If a system of rate-making were in vogue which fixed a separate rate on each individual article, without any arrangement into classes, the controlling factors, aside from competition, would be length of haul and weight. Competition would require modifications even of this sim-

ple method of rate-making. But so numerous are the articles of commerce, so great the variety of kind, density or weight, value, use, and competitive conditions surrounding their movement, that classification is essential—classification of such a nature as to give recognition in almost every instance to four important factors in determining the rating of an article. What is it going to cost the carrier to transport the article? How much revenue will be derived from the entire quantity of the article moved? How much risk must the carrier undertake in the transportation of the article? And what must the carrier do to meet the commercial and traffic conditions surrounding the movement of the article? If any one of the first three factors were to be absolutely controlling, large quantities of traffic would cease to move at all. In addition to these four primary factors of consideration in the classification of articles, there are numerous other factors closely related to them, which must be taken into account. And the purpose of the next few sections will be to acquaint you with these factors and their significance in the rating of articles in a classification.

Despite the fact that the Interstate Commerce Commission now has jurisdiction over the adjustment of articles in classifications, and has frequently ordered the rating of an article changed, the classifications now in effect still reflect the methods employed before the Commission exercised authority over classification. These methods were neither exact nor scientific. The resulting ratings represented the collective judgment of the carriers, as to the consideration to be given to the factors of the nature of an article, its weight, bulk, value, etc., under all the circumstances and conditions surrounding the movement of the article from a revenue standpoint. The most general rule the carriers could follow was that they should so rate an

article that the revenue it returned to them would pay the cost of transporting it and afford some profit; this rule, however, could never be carried beyond reasonable approximations.

The classification of articles for transportation on American railroads is a compromise, rather than an exact adjustment, of the various elements in the nature of an article which affect the service required to transport it, the cost of such service, the quantity of the article moving, the revenue derived from its transportation, and the special conditions attending its movement, such as competition, source of supply, demand for and use. The methods employed in reaching such compromises in the classification of articles have not met with an unfriendly reception at the hands of the Interstate Commerce Commission; while the Commission is on record as favoring uniform classification with more scientifically established ratings, it has, to all intents and purposes, approved of the method of classifying articles in the present classifications, as is apparent from the following quotation:

"This mode of making rates by classification is intended to be for the convenience of the railroad companies and also for the accommodation of the shippers, and long experience has shown that it is the best and the most practical way yet devised for dealing with the subject. To demonstrate that there are occasional inequalities of rate upon some of the articles thus grouped together in one class, as compared with others in that class, is not to prove that the whole system is wrong, but simply that there is or may be some slight or occasional difference in the rate charged upon some one article in proportion to its value, bulk, or weight, when compared with another, that inflicts no substantial wrong upon any one, and is one of the mere incidents of the service by this method of transportation.

When comparison is attempted to be made of the respective classifications and rates, the different conditions of transportation cannot be ignored." *Pyle vs. E. & T. H. R. Co.*, 1 I. C. C. Rep. 473, 1 I. C. Rep. 770 (1888).

In late years, however, as the Commission has adjusted rates and classification ratings in the cases and proceedings brought before it, increasing consideration has been given to the various factors which should control the classification of goods; but in the main these considerations are more legal than physical in their significance, and will be treated in detail in the subsequent volumes devoted to rates.

Every article possesses certain inherent qualities which affect its transportation. Thus, an article possesses the qualities of form, bulk or size, weight, material out of which manufactured, value, etc. In a traffic sense, these factors may be termed its freight qualities.

The articles of commerce in their most fundamental division for transportation purposes could be classified into two groups—those of great value compared to their size or bulk and weight, and those of extremely low value in proportion to their bulk and weight. If the cost of the service were to be distributed according to a standard of bulk and weight, the high-valued article would pay a lower rate than the low-valued commodity, or if the reverse application were to be made and the value of the article to become the standard of comparison, then the high-valued article would be charged a rate entirely out of proportion to its bulk and weight. Thus, it is apparent that no one quality or factor of the article or the service can be made a controlling standard in classification, but that a broader consideration must be given an article, which shall include equitable proportionment of its physical freight qualities first, and secondly, its commercial and traffic necessities.

The first factor to be considered is a physical one—what is the inherent nature of the article? Or, in other words, what is it?

Suppose you wanted to ship 500 pounds of wicker baskets from New York to Chicago. If you turn to the Official Classification you will not find an article classified under the name “wicker basket.” The first thing, then, is to determine what is a “wicker basket.” The word “wicker” is simply descriptive of the article—a basket—and indicates, in this case, the material of which the basket is made. Had we called it a “basket,” you would probably instinctively have looked for the word “basket,” in the Official Classification, and would have found that “baskets” N. O. S. are classified. And you would also have found other baskets described in the classification, with the material of which they are manufactured indicated. But nowhere would you have found the word “wicker” in connection with baskets. The word “wicker” is a trade-name for willow when split into strips and woven into baskets, and other articles. In the classification you readily find willow baskets and willowware. The inherent nature, then, of the “wicker basket” was the first thing to determine, before its rating in the classification could be ascertained.

This is true of a great many articles, and the rule you should follow in determining the proper classification of an article is to remember that articles are listed in classifications under their noun denomination, but that where articles are further qualified as to their nature, an adjective description is given, of either the material of the articles or the use for which they are intended. The purpose of such a rule is to enable you to determine the ratings of articles which under their trade-designations are not listed,


but which are classified and rated by determining their relation to other classified articles.

This same rule and the factors which are responsible for it govern in cases of articles which are improperly rated in the classifications.

§ 2. Quantity Shipped.

The quantity in which an article is usually shipped, particularly whether it moves under the ordinary customs of trade in small quantities, or in lots sufficiently large to make a carload, has much to do with its rating in the classification. The carrier is dependent upon the loading or carrying space of its equipment for its revenue, and if the carrier receives an article in sufficiently large quantities to occupy the entire car, it is relieved of a large amount of expense and risk it would otherwise have to bear, were the car loaded with a miscellaneous lot of small shipments of different commodities. Thus, the wholesale principle, in a restricted way, is introduced into the making of freight rates. The merchant is willing to sell a large quantity of his goods at a less price per selling unit than when he sells but a single selling unit of an article. So, too, the carrier is willing to transport a carload of an article at a rate less than the rate it charges for a few hundred pounds of the same article.

Therefore, you will find, in the classification, ratings established for carload quantities of articles when articles move in such quantities, which are materially lower than the ratings established for less than carload quantities. The establishment of carload ratings is in response to the laws of trade, which are rightly taken into consideration in classifying any article. Where ratings are established for any given quantity of an article to constitute a carload, the quantity is determined by the customs of the trade—



i. e., the quantity in which the article usually sells in the territory affected by the classification. Two quantity-units in carload ratings may be adhered to. In the case of commodities like iron ore, a physical minimum may be applied for the carload rating, which would mean the physical loading capacity of the car, but in the case of commodities which sell in quantity-units established by the customs of the trade in the territory in which it moves, the carload quantity should start with a commercial minimum adapted to such customs of the trade.

Minimum less-than-carload quantities are established by applying a so-called minimum package rule, which, while it does not change the less-than-carload rating, requires the collection of charges on 100 pounds at the designated rating.

Thus, suppose you were to ship a typewriter, boxed, weighing 60 pounds, from New York City to Chicago. The minimum charge assessed would be the first-class rate on 100 pounds, even though your shipment weighed but 60 pounds. If the first-class rate were less than 25 cents per 100 pounds, the minimum charge would be 25 cents on packages weighing 100 pounds or less.

If no carload rating is established in the classification for a carload quantity of an article, the rating designated for the less-than-carload quantity will govern any quantity of the article.

§ 3. Packing Requirements.

Carriers are permitted to make certain reasonable rules and regulations governing the packing of articles for shipment.

When you take your goods to the carrier's freight depot and tender them for shipment, you execute a bill of lading which contains a description of the goods, their destina-

tion, the name of the consignee, and other data concerning the transportation of the shipment. This bill of lading constitutes a contract between you as the consignor and the carrier, and the law of the country (not the Interstate Commerce Law, or the Act to Regulate Commerce) holds the carrier responsible to transport and deliver the shipment of goods into the hands of the consignee in the same condition in which it received them from you. This liability of the carrier includes loss of or damage to the goods from the time the shipment enters its custody until final delivery is actually made to the consignee. It is only right, therefore, that the carrier, under this compelled liability, should be permitted to protect itself from the carelessness and negligence of shippers by reasonable rules as to packing of goods.

It is self-evident, of course, that the majority of articles, if shipped unprotected by packing, would suffer injury or loss in transit. Moreover, many articles may be packed in different forms, or in different kinds of packages, all of which are acceptable for shipment, but in which the possibility of breakage or loss may vary. Carriers, in their efforts to restrict their liability, put a premium upon packing methods that reduce the risk they assume, by lowering the rating if the packing of the article reduces the possibility of loss or breakage. Thus, if an article is packed so strongly that breakage is practically impossible, the rating will usually be much lower than the rating on the same article when less safely packed.

A great many articles in the classifications are given different ratings, particularly in less than carload quantities, according to the manner in which they are packed. Thus, in the Official Classification, Sulphuric Acid, or Oil of Vitriol, in less than carload quantities, is rated as follows, according to the manner in which it is packed:

Sulphuric Acid, or Oil of Vitriol—	L. C. L.
In glass or earthenware, packed in barrels or boxes	1
In carboys	1
In iron or steel barrels.....	R.26

In this case, when the acid is packed in glass, earthenware, or carboys, it is rated first-class; but when packed in iron or steel barrels, it is rated more than two classes lower, because of the minimized possibility of loss or damage when the article is contained in the iron or steel barrels.

Not only are the packing requirements included in the descriptions of the ratings afforded the individual articles in the classification schedule, but explicit rules and specifications as to packing, packages, containers (external and internal), marking, etc., are contained in the rules-section of each of the classifications.

Railroads maintain, in their freight houses, a corps of inspectors whose duty it is to see that shipments tendered for transportation are packed and marked in accordance with such requirements. For failure to meet these requirements in packing, etc., shippers are penalized by having higher ratings assessed on their shipments.

§ 4. Rules Governing Risk and Liability.

It has long been the practice of railroads to seek to limit their liability as common carriers by the incorporation into their shipping papers, such as the bill of lading, live stock contracts, rules circulars, classifications, tariffs of rates, etc., of rules and conditions which attempt to shift responsibility on to the shipper.

These practices have long been before the courts of the country, and are looked upon with judicial disfavor. Such

practices, however, are not within the jurisdiction of the Interstate Commerce Commission, except as the rules or regulations of the carriers seeking to limit their liability are included in their tariffs and govern the application of rates. A notable instance of such a practice is the four-months' limitation clause contained in the uniform bill of lading governing the filing of claims against the carriers. The entire bill of lading containing this clause is incorporated into the rules-section of the interstate classifications, and by the rules of the application of the ratings in the classifications, its acceptance by the shipper is made compulsory. The ratings are made subject to the conditions of the uniform bill of lading (except in the Southern Classification) and provision is made that if the uniform bill of lading conditions are not accepted, a higher rating will be applied, and thus, as one of the conditions of the bill of lading, the four-months' claim clause comes within the jurisdiction of the Interstate Commerce Commission, as a condition governing the application of rates.

Carriers frequently resort to the conditioning of a rating in the classification to the extent that the rating will be lower if the shipper agrees, in consideration for such lower rating, to assume responsibility for loss or damage, either partially or entirely. Thus, if you ship household goods and declare their value, in the event of loss or damage in transit, to be not more than \$10 per 100 pounds, such goods are rated, in the Official Classification, $\frac{1}{2}$ class lower in less-than-carload quantities, and 1 class lower in carload quantities, than if you failed to declare any value or declared the value to be more than \$10 per 100 pounds. The rate applied, when the lower rating results from the declared valuation of \$10 per 100 pounds, is known as a released rate. In other words, it is a rate made in consideration of the limiting of the carrier's liability in the event

Note: See Cummins Amendment, p. 296.

of loss or damage in transit. Rules of this nature are included in the Southern Classification in the following provisions:

"The reduced rates specified in this Classification will apply only on property shipped subject to the conditions of the Carrier's Bill of Lading.

"Property carried not subject to the conditions of the Carrier's Bill of Lading will be at the carrier's liability, limited only as provided by common law and by the laws of the United States and of the several States, in so far as they apply. Property thus carried will be charged ten (10) per cent higher (subject to a minimum increase of one (1) cent per hundred pounds) than if shipped subject to the conditions of the Carrier's Bill of Lading."

The lines in Southern Classification territory employ a bill of lading known as the "Carrier's Bill of Lading," or the "Standard Bill of Lading," as it is otherwise termed. It contains many features common to the Uniform Bill of Lading used by the eastern and western lines. The southern carriers, however, do not include the Carrier's Bill of Lading as a part of the Southern Classification schedule, but make reference to its conditions as applicable to the ratings listed, in the manner set forth above.

Released rates are also provided for in the Southern Classification by a rule attempting to limit the carrier's liability where valuation is limited, viz.:

"Where the classification provides for a reduced rate, based on a certain fixed valuation, the following special release, containing the agreed valuation, must be written and signed by the shipper or owner upon the face of the bill of lading or shipping receipt:

"The value of the shipment covered by this contract is fixed by the shipper at; which is accepted by the carrier as the real and true value thereof and the rate of

freight is charged in accordance therewith, and the carrier assumes liability only to the extent of such valuation and no further."

The Western Classification provides for released rates and other limitations of the carriers' liability in the same manner as the Official Classification.

The Canadian Classification provides:

"(a) That articles by this classification shown to be carried at Owner's Risk of Weather (i. e., O. R. W.), of Breakage (i. e., O. R. B.), or otherwise, as the case may be, shall, unless otherwise required by the shipper, be carried at Owner's Risk as so specified and defined, and no special notation to that effect shall be necessary on the bill of lading. These conditions are intended to cover risks necessarily incidental to transportation, but no such limitation, expressed or otherwise, shall relieve the carrier from liability for any loss or damage which may result from any negligence or omission of the company, its agents, or employees.

"(b) Should the shipper decline to ship at 'Owner's Risk,' as specified and defined in this classification any article shown to be so carried, the articles will be carried subject to the terms and conditions of the bill of lading approved by the Board of Railway Commissioners for Canada, in which case twenty-five per cent, over and above the rates which would be payable if such articles were shipped at 'Owner's Risk,' will be charged.

"(c) Provided that this rule shall not apply to live stock, which will be carried only on the terms and conditions specified in the classification."

You must understand that any rule limiting a carrier's liability, which is included as a part of its classification schedule or tariffs of rates and affects the ultimate application of a rate on interstate traffic, is within the jurisdiction

of the Interstate Commerce Commission as to its unreasonable or discriminatory effect upon transportation charges. If the condition limiting liability in any wise affects the application of a rating or rate, the Interstate Commerce Commission has authority to act, but it is within the province of the courts alone to deal with limitations of liability not affecting ratings or rates.

Rules of limitation of liability affecting released rates are divided into three classes by the Interstate Commerce Commission:

"I. If a rate is conditioned upon the shipper's assuming the risk of loss due to causes beyond the carrier's control, the condition is valid.

"II. If a rate is conditioned upon the shipper's assuming the entire risk of loss, the condition is void as against loss due to the carrier's negligence or other misconduct.

"III. If a rate is conditioned upon the shipper's agreeing that the carrier's liability shall not exceed a specified value—

"(a) The stipulation is valid when loss occurs through causes beyond the carrier's control.

"(b) The stipulation is valid, even when loss is due to the carrier's negligence, if the shipper has himself declared the value, expressly or by implication, the carrier accepting the same in good faith as the real value, and the rate of freight being fixed in accordance therewith.

"(c) The stipulation is void as against loss due to the carrier's negligence or other misconduct if the specified amount does not purport to be an agreed valuation, but has been fixed arbitrarily by the carrier without reference to the real value.

"(d) The stipulation is void as against loss due to the carrier's negligence or other misconduct if the specified amount, while purporting to be an agreed valuation, is in

fact purely fictitious and represents an attempt to limit the carrier's liability to an arbitrary amount. . . .

"A carrier may lawfully establish a scale of charges applicable to a specific commodity and graduated reasonably according to value. These rates must be applied in good faith, regard being had to the actual value of the property offered for shipment.

"A carrier must not make use of its released rates as a means of escaping liability for the consequences of its negligence, either wholly or in part.

"It is a mischievous practice for carriers to publish in their tariffs, or on their bills of lading, rules and regulations which are misleading, unreasonable, or incapable of literal enforcement in a court of law.

"A stipulation that an additional charge of * 20 per cent shall be collected on property that is shipped not subject to limited liability is unreasonable." In the Matter of Released Rates, 13 I. C. C. Rep. 550, 561 (1908).

It is clear, therefore, under these expressions of the Commission, that the released valuation clause cited in connection with the shipments of household goods, is valid and would be upheld by the Commission. The same would be true, with respect to released valuations of glass, live stock, and other articles so affected, where the act of release is in good faith, and the specified valuation real. But understand that the limitation of the carrier's liability thus brought about is subject to the jurisdiction of the Interstate Commerce Commission only as a condition or requirement affecting the application of a rate.

* At that time (1908) the additional charge was 20 per cent; it is now 10 per cent.

CHAPTER VIII.

PACKING REQUIREMENTS AND RULES.

- § 1. Goods Shipped in Bulk. Bulk Freight.**
- § 2. Articles Set-Up or Knocked-Down.**
- § 3. Goods Nested and Nested Solid.**
- § 4. Goods Shipped on Skids.**
- § 5. Goods Packed in Containers.**
- § 6. Goods Shipped in Fibre-Box Packing.**
- § 7. Goods Shipped in Crates.**
- § 8. Goods Shipped in Boxes.**
- § 9. Goods Shipped in Bags, Bales, Etc.**

CHAPTER VIII.

PACKING REQUIREMENTS AND RULES.

§ 1. Goods Shipped in Bulk. Bulk Freight.

As stated in a prior section, the packing of a shipment, or the form in which it is tendered for shipment, directly affects the rate on the article. The carrier is vitally concerned with the matter of packing of goods from two standpoints; (1) the effect upon revenue, because if, in the packing of goods, the weight is concentrated into smaller space, the carrier receives a proportionately greater revenue from the space of its equipment occupied by the shipment, and (2) the effect upon risk, because the more securely packed is the article, the less risk the carrier incurs. It will probably be entirely clear, as some of the more important of these packing requirements are mentioned, what their purpose is—to increase revenue or decrease risk, or cost of handling. Thus, when goods are shipped in carloads, the shipper is required to load and unload the goods, thus effecting a decrease in the cost of service to the carrier, which in turn increases its revenue.

The Official, Western, and Southern classifications each provide that bulk freight will not be taken in less than carload quantities, unless so specified in the classification. In carload lots it must be loaded and unloaded by the owner.

The Canadian Classification provides:

“Bulk freight in carloads must only be accepted subject to the conditions, ‘more or less’ as to quantity, and ‘said

to be' as to quality, and these words must be written in full on bill of lading. Agents must in all cases obtain from shipper a statement on bill of lading of the quantity and description of all bulk freight loaded in or on each car.

"Bulk freight in less than carloads will not be taken."

§ 2. Articles Set-Up or Knocked-Down.

When the description of an article in the classification schedule does not mention its condition as being set-up or knocked-down, the rating applies to the article set-up in the ordinary form for its intended use, and where the article is of such a nature as to become marred or injured in transit, it is required to be either wrapped, crated, or boxed. But where an article is rated under a provision that it shall be knocked-down, it must be taken apart and made into a more concentrated unit of shipment. If the requirement is that it shall be knocked-down flat, the article must be reduced to its component parts—as far as the several parts are susceptible to flat-packing; in other words, it must be reduced to its most concentrated form as to weight in proportion to bulk.

It is the practice to establish lower ratings on articles knocked-down and knocked-down-flat than are assigned to the same articles set-up, because the article knocked-down or knocked-down-flat, on account of its concentration, affords the carrier a proportionately greater revenue and a decreased risk, and in some instances, a reduction in the cost of handling.

The Western Classification provides that where separate ratings are provided for an article in set-up and knocked-down form, the rating for the knocked-down form should not result in greater charges than when the article is in set-up form.

This method of establishing ratings is illustrated by the

classification of Iron or Steel Stands, in the Official Classification:

Stands—Furniture.

Iron or Steel:	L. C. L.	C. L.
Crated or Boxed	1	..
K. D. flat, wrapped, crated, or boxed.. ..		4
Other than K. D. flat, min. wt. 10,000 lbs.		2

In the carload ratings, a difference of 2 classes is made between iron or steel stands, set-up and knocked-down, the latter condition receiving the lower rating.

The requirements for packing of knocked-down or knocked-down-flat condition of an article may be for boxes, crates, or bundles.

§ 3. Goods Nested and Nested Solid.

The nesting of articles, susceptible of such form of packing, is another method used for the concentrated packing of goods. Goods nested or nested solid, because of their concentrated weight in proportion to bulk, increase revenue proportionately and decrease risk, as well as cost of handling in many cases.

"Nesting" consists of placing articles of the same or different sizes, one within the other, each smaller within the next larger, so that the upper article will at no time project more than one-third of its height above the next lower article.

"Nested Solid," when such a condition of packing is required, consists of nesting the articles as above described, except that the bottoms must touch.

In the Official and Western Classification schedules, two or more articles may be nested, but the Southern Classifi-

cation schedule requires three or more articles for nesting. Such articles may be of the same or different sizes, but they may not be of different material or name, whether grouped in a single description or shown separately.

§ 4. Goods Shipped on Skids.

Heavy machines, or other articles of a nature hard to handle in set-up condition, are accepted "loose" or on "skids," at the rating applicable to the set-up article. Skidding is the placing of timbers or runners under the base or legs of an article, for the purpose of facilitating the handling of it, so that it may be slid or pushed along without being entirely lifted.

§ 5. Goods Packed in Containers.

Each of the three interstate classifications, and the Canadian Classification, contain requirements as to forms of internal containers packed in boxes or crates. The Southern Classification schedule is the more explicit in the use of the terms "packed" and "packed in," as they apply to containers. The requirement that an article be "packed," with no container specified, means that the article itself shall be enclosed in a wooden box, or wooden or metal barrel, or crate, or similar container. But the requirement that the article shall be "packed in" means that the article itself must be protected within the general container named, by partitions, wrappers, excelsior, straw, or other material used for packing that will adequately protect the article against breakage.

Specifications for containers made out of fibreboard, pulpboard, or strawboard are uniform in the three interstate classifications.

When the classification permits articles to be shipped in "glassware," the rating will also apply to the same article shipped "in stoneware."

§ 6. Goods Shipped in Fibrebox Packing.

When goods are shipped in fibreboard, pulpboard, or strawboard boxes or containers, such containers must be constructed to meet the uniform specifications and requirements of the three interstate and Canadian classifications, which you will find discussed in detail in this volume, Chap. X, Sec. 3. Certain factors of strength of resistance in the fibreboard material, etc., out of which the container is made, must be adhered to, but the specifications differ for articles weighing not over 30 pounds and those weighing over 30 pounds.

§ 7. Goods Shipped in Crates.

The rules governing the shipment of goods in crates in the Western, Southern and Official Classification schedules are uniform and provide certain specifications covering the material and construction of these containers.

The purpose of specifications governing the construction of packing crates is to restrict loss and damage, by requiring the crates to enclose the goods to an extent sufficient to hold the framework together and protect the goods while in the process of transportation. A crate should be made of wood, so constructed as to admit of the taking of the freight into or out of cars or vessels within the crate, and to protect the sides, ends, top, and bottom, and leave no unprotected surfaces susceptible to injury.

Crates of unusual size, or carrying unusual weight, should be strapped or reinforced by diagonal cleats.

It is, of course, manifest that the requirements or specifications for crating are methods employed by the carrier to facilitate the handling of articles and to restrict the possibility of loss or damage in transit.

§ 8. Goods Packed in Boxes.

A box offers a greater degree of protection to goods

packed in it than a crate. The carriers, in making rating on an article either where it is essential to goods be boxed and not if the goods are, in fact, Western Classification provided for in the Classification bales, bags, or bundles, the next class higher (greater) than in crates. for articles shipped in bales will apply upon shipment. When no rating is shown in the Classification, the same rating is provided for in the boxes, the same articles in the next class higher (greater) than in the Classification, the boxes shall apply on shipment of drums, and vice versa."

The box is taken as the basis in the adjustment of crates, bales, bags, bundles.

A box must be made of wood, or of wood, with solid or fibreboard, pulpboard, or conform to the specifications in the Classification also in accordance with respect to box

§ 9. Goods Shipped in Bags, Bales, etc.

Many commodities, of the nature of grains, feeds, fertilizer, etc., may be packed in bags or sacks, or articles of the nature of cotton, blankets, cloth, etc., may be packed in bales, and be adequately protected; as well, in fact, provided they are kept dry, as if they were in boxes. An advantage in weight is derived from bag, sack, or bale packing, because a greater quantity of these articles can be loaded in a car than would be the case were the articles enclosed in boxes. The provisions in the Western Classification rule, cited in last preceding section, establish the fact that the bag, sack, or bale, is deemed on a par with the box for rating purposes, for articles adapted to such a method of packing.

This method of packing is used in the transportation of coffee, which is shipped in both single and double bags. The Southern and Western classifications rate green coffee in single sacks one class higher than in double sacks, because of the greater protection afforded by double sacks.

CHAPTER IX.

QUANTITY OF GOODS SHIPPED.

- § 1. Carload Shipments.**
- § 2. Less than Carload Shipments.**
- § 3. Any-Quantity Shipments.**
- § 4. Less than Carload Charge Should Not Exceed the Carload Charge.**
- § 5. When Quantity of Single Shipments Exceeds Carload Minimum Weight.**
- § 6. Freight in Excess of Full Carload.**
- § 7. Articles Requiring Two or More Cars.**
- § 8. Effect of Minimum Carload Weights.**

CHAPTER IX.

QUANTITY OF GOODS SHIPPED.

§ 1. Carload Shipments.

As previously stated, the wholesale principle of business—the practice resorted to by the merchant who decreases his unit price in order to sell a large quantity of his goods—is to a limited extent permissible in a well-ordered system of rate-making. The Interstate Commerce Commission has at all times recognized that a reasonable, fair, and just difference is properly made in proportion to quantity hauled of the same article in a full carload and in less than carload quantities, and that respective rates may be charged upon such a quantity according to weight, and that in the making of a classification, and establishment of ratings therein, such controlling conditions as bulk and space occupied, the weight of the article as compared with its dimensions, its value, its ability to be so loaded into a car as to make a full carload, and whether, as a matter of fact, it is hauled in carloads as well as in less than carloads, are properly observed.

It is our purpose now to inform you of the existence of carload units as a basis for reduced ratings, but not to discuss the commercial, traffic, or legal ethics of their adjustment. Such a discussion will have to be reserved until we come to the study of reasonableness of rates and their standards.

The questions you need to answer at this point are:

What is a carload? Or, to put it more fundamentally—

When is an article entitled to a carload rating?

How is the status of the carload unit established?

Why should the rating for the carload unit be lower than the rating for a less than carload quantity?

In answer to the first inquiry,—a carload rating should be established for a commodity when that commodity can be offered for shipment in carload quantities, unless public interests or other valid considerations require the contrary. Such is the expression of the Commission on this fundamentally important question.

Of course, there must be a proper relation between the carload quantity and the less-than-carload quantity, and the establishment of that relation immediately brings into consideration, not alone the commercial necessities, but physical traffic conditions as well.

First, what conditions of shipment establish a carload quantity? In establishing the minimum weight of a commodity, the test of the physical ability to load a certain weight into a car of given size is not sufficient. If it is to the interest of efficient and economical railway operation to increase the size of cars used, such rate of increase should not exceed the ability of business to adapt itself to the larger cars. The minimum weight per shipments of heavy, low-grade commodities that move in great volume, is not calculated to disturb commercial conditions to the same extent that they might be disturbed by a correspondingly high minimum for traffic of a different character. Generally speaking, freight cars should be made to fit the business. Within reasonable limits business may be required to adapt itself to the car, but when there is a conflict between the increased size of the car and the necessities of business, business may not be required unreasonably to adapt itself to the car. Statistics of the United States, as well as of the leading countries of Europe, show

that increases in the size of cars have been accompanied by less economical utilization of car space. The minimum weights prescribed in the three classifications in the United States have been based quite uniformly upon commercial conditions, rather than physical dimensions. The commercial minimum is a real thing, and established methods and customs governing business at any particular time should be given proper weight in the establishment of minimum weights at that time.

The loading possibilities of different commodities vary so widely in their relation to different car dimensions that it is necessary to adopt different scales of minimum weights for different commodities.

The varying minimum weights, according to car dimensions, are published in the classification schedules, in exceptions to classifications, and in individual tariffs, according to their application.

A carload shipment is defined as follows:

"Except as otherwise provided, carload ratings apply only when a carload of freight is shipped from one station, in or on one car, in one day, by one shipper for delivery to one consignee at one destination. Only one bill of lading from one loading point and one freight bill shall be issued for such carload shipment. The minimum carload weight provided is the lowest weight on which the carload rating will be computed."

The Canadian Classification rule provides:

"Rule 2—(a) In order to entitle a shipment to the carload rate, the quantity of freight requisite under the rules to secure such carload rating must be tendered on one bill of lading at one station on the same day by one consignor or owner, consigned to one consignee at one destination (subject to Rule 4)."

The minimum carload weights provided in the classification are established for a standard 36-foot car.

The latest expression of the Interstate Commerce Commission with respect to carload minimums is as follows:

"A carload minimum weight, which is reasonably adapted to the needs of the carriers and the great majority of shippers, will not be increased because one shipper, by the expenditure of exceptional effort and expense, finds himself able to load more heavily than can his competitor; neither will this Commission under such circumstances prescribe a lower rate per 100 pounds conditional upon the use of a higher minimum weight as the measure of the carload."

§ 2. Less-than-Carload Shipments.

"A single shipment of less than carload freight is a lot received from one shipper on one shipping order and bill of lading, at one station, at one time, for one consignee and one destination.

"Except that the charge for a less-than-carload shipment must not exceed the charge for a minimum carload of the same freight at the carload rating."

Three controlling factors should govern the relation between the less-than-carload and the carload ratings: Relative cost of handling the two quantities, demands upon terminal facilities of the carriers, and the utilization of cars.

The actual expense to the carrier of handling less-than-carload shipments is greater than it is for carload traffic. While the carrier itself handles the less-than-carload quantity, it is the universal practice to require the shipper to load and unload carload shipments.

Considerable diversity exists in the spread between carload and less-than-carload ratings. The spread is the

amount of difference in the rating of the same article in less-than-carload and carload quantities.

For illustration, take olives in kits. In less-than-carload quantities they are rated second class in the Official Classification. In carload quantities of 36,000 pounds, they are rated fifth class. The spread is three classes. Or, applying the respective ratings to the rates from Chicago to New York, the percentage of the carload to the less-than-carload rate would be 46.1 per cent.

No practical rule can thus be made simply by computing mathematically the ratios existing in the spread of the present classification ratings. In determining reasonableness, important comparisons may be made of the ratio of spread between carload and less-than-carload ratings of the same commodities in the different classifications, but the result can never be more than a tendency factor in the final adjustment of the carload and less-than-carload spread in the ratings of an article.

The Interstate Commerce Commission expressed its view respecting this relation of carload and less-than-carload ratings, in *In the Matter of the Suspension of Western Classification No. 51*, 25 I. C. C. Rep. 442, 467, Opinion No. 2110.

It appears that an excessive difference between the carload and the less-than-carload rates on the same commodity results in an undue preference to the carload shipper of that commodity. Both the assignment of a commodity to its place in the classification and the tariff rate made applicable to the respective classes by individual carriers, determine the relationship of carload to less-than-carload shipments as expressed in dollars and cents, which, after all, is the true relationship.

It appears that one of the great purposes in the construction of a uniform classification should be the estab-

lishment of just relations between carload and less-than-carload quantities in accordance with some principle used consistently throughout the classification and the rate schedules which may be constructed upon it. All the different factors which enter into the establishment of a rate should be considered in the establishment of this classification and tariff schedule relationship. One of these elements, which appears to be so frequently overlooked, is the difference in the cost to the carriers of conducting the carload and the less-than-carload traffic. This cost should be ascertained as accurately as possible, and due weight given to it in determining the classification and rates for less-than-carload quantities as compared with carload quantities.

It is apparent that the Commission lays much stress upon having differences in less-than-carload and carload ratings equalized with the differences in cost of service to the carrier.

§ 3. Any-Quantity Shipments.

An "any-quantity" rating simply means that the rating established in the classification applies to any quantity of the article offered for transportation, whether it be a carload or not. In other words, it is the rating applied in the absence of a carload rating.

The Western and Southern classifications (especially the Southern) establish a less number of carload ratings than the Official, and, therefore, contain more any-quantity ratings.

Thus in the Southern Classification, in shipments rated in any quantity, no matter how large a quantity is offered for shipment, the same ratings would apply as on one hundred pounds. The rule of all classifications is that less-

than-carload ratings apply when no carload rating is shown.

§ 4. Less-than-Carload Charge Should Not Exceed Carload Charge.

The Official Classification specifically provides that if the shipper orders a car for a consignment of freight that does not fill the car and instructs that no other freight be loaded therein while his is in transit, the carload minimum at the carload rate will be charged.

Each of the interstate classifications makes plain the fact that a fully loaded car will not be charged more at the carload rate and minimum carload weight than on basis of actual or estimated weight and less-than-carload rate. In other words, if the carrier fails to provide a car of sufficient size to contain the carload minimum weight required, and the actual load in the car furnished fills the car, and if the less-than-carload rate and actual weight result in a charge less than the carload rate and minimum weight, the charge shall be computed on the basis of the less-than-carload rate and of actual or estimated weight.

§ 5. When Quantity of Single Shipments Exceeds Carload Minimum Weight.

The general rule governing single shipments of weight in excess of the carload minimum established, is, naturally, that the weight in excess of the minimum will be charged for at the carload rate.

§ 6. Freight in Excess of Full Carload.

It must be understood that the rules here given governing freight in excess of full carloads, refer to shipments meeting the established carload requirements, i. e., shipments that are actually entitled to carload ratings and rates.

In the Western Classification, the carload excess rules apply to consignments of 30,000 pounds or more, while in the Official they apply to shipments of 24,000 pounds or more, while in the Southern Classification the rule applies only to shipments which are subject to minimum weight of more than 20,000 pounds.

The excess rule in the Official Classification does not apply to articles subject to Rule 27, unless provided in the classification, nor to articles shipped subject to Rule 7A and Note 6 under the heading of "Iron and Steel."

Each car, except the car containing the excess, must be loaded to visible or market capacity, and charged for at the actual or authorized minimum weight at the carload rate.

The excess over the quantity loaded in or upon a car as above, if loaded into a box or closed car, is charged for at the actual or authorized estimated weight, at the carload rating and rate, or, if the excess is loaded on a single open car, flat or gondola, the charges are computed at actual or authorized estimated weight, subject to a minimum charge based on not less than 4,000 pounds at first class rate when subject to Western Classification rules, 4,000 pounds at carload rate when subject to conditions of the Southern Classification. No such rule governing excess of carload consignments loaded on flat, gondola, or open cars, obtains in the Official Classification.

Under the Western Classification rule, the carrier may handle the excess portion of the consignment through its freight stations and load other freight in the excess car.

A separate waybill is required for each car, including the car carrying the excess, such waybills containing reference to the waybill used for each other car in the consignment.

The Canadian Classification provides that when more than the minimum carload weight of freight classified

fifth class or higher in carloads—provided the classification minimum is not less than 20,000 pounds per car not exceeding 36 feet 6 inches in length—is shipped on the same day by one consignor on one bill of lading, to one consignee at one destination, the established rate for a carload will apply on the entire consignment, although it may be less than two or more full carloads, provided first car (or cars) is loaded to the classification minimum, in which event the balance shall be charged the carload rate, actual weight.

Reference must be made on the waybill for the balance of the consignment, to the waybill for the full carload (or carloads) of which it is a part.

If, however, the freight is of such a bulky nature as to make it impossible to load the first car to the classification minimum, charges must then be assessed at the L. C. L. rate, actual weight, but subject to the classification minimum weight at carload rate as a maximum for each car.

This rule will not apply on traffic any portion of which is loaded in refrigerator, tank, or on flat or gondola cars.

When freight consignments exceed full carloads, that portion in excess thereof must be marked for less than carload freight as required under the rules of the respective classifications.

These rules, however, do not apply when specific items or exceptions in the classifications provide otherwise.

§ 7. Articles Requiring Two or More Cars.

An important problem in the establishment of equitable ratings and minimum weights is presented when articles are shipped which, because of their unusual length, require two or more cars to transport them. This situation occurs in the transportation of long steel bridge girders, and special articles of great length. Cars furnished for the transportation of such articles are termed "in series," and a minimum is established for the series.

A "series" is determined by the number of cars over which the continuous lading extends. If a car in the series is used to protect another series, for the same consignee and destination, it is charged for only once.

Suppose there is to be shipped a steel bridge girder which, when loaded, extends over two cars. It actually rests on the first car and extends over on to the second car; but the second car is also used in connection with the articles on a third car. This arrangement of cars would be deemed two series, and the first car would be charged for at 100 per cent, the second car at 50 per cent, and the third car at 100 per cent, but the aggregate charge for a series of cars should not exceed the aggregate charge for the same number of single cars.

In the Official Classification the rule governing charges for cars in series differs from those in the Southern or Western classifications. In the Official Classification, provisions are made for minimum weights on cars in series of not more than four cars; one car in excess of four cars is deemed a new series. In the other classifications, cars required for articles loaded on two or more cars are treated as "in series."

Articles moving subject to the Official Classification, which, on account of their length require two or more cars for transportation, are charged for in series, such series not exceeding four cars, as follows:

The longest car in the series or, in the event of cars being of equal length, the car carrying the heaviest portion of the lading is deemed the "first car." Charges on the "first car" are computed at the carload rate and the minimum carload weight governing the rating established for the article in the classification; and each additional car is charged for at 50 per cent of such authorized minimum carload weight at the carload rate.

In no case, however—except that the aggregate charge for a series exceeds the aggregate charge for the same number of single cars—should the charges be computed on less than 36,000 pounds for two cars, 48,000 pounds for three cars, or 60,000 pounds for four cars. It is understood, of course, under general rules, that the actual weight on a series of cars, when such aggregate actual weight exceeds the aggregate specified minimum weights, will be charged for at the carload rate. This is the process of computation to be followed under the rules of the Official Classification.

It may happen that the consignor furnishes other freight for the same consignee for the same destination and loads it on the cars in the series. In such a case, the charges would be computed differently. If the additional freight thus added makes the actual weight of the shipment equal to or in excess of the series minimums above enumerated, the charges for the several articles in the shipment are computed at the class rate of each article in carloads and at the actual weight. This general rule is peculiar to the Official Classification, but in each of the three interstate classifications, provision is made for its application, in slightly modified form, to articles of iron and steel manufacture requiring, on account of length, two or more cars for transportation. Special rules covering iron and steel are carried in each of the three interstate classifications.

The Western Classification rule is slightly different from that of the Southern Classification. It provides that charges for articles which on account of their length require two or more cars, are to be computed on the actual weight, at the carload rate, subject to minimum weights established by the carrier for each car used. But if articles have no carload rating, or the shipment is a less than carload quantity of an article having a carload rating, the

minimum charge will be equal to that for 5,000 pounds at first class rate for each car used.

The same rule in the Southern Classification provides for the actual aggregate weight to be charged for, subject to the aggregate specified minimum carload weights for all the cars used; provided, of course, the classification item does not provide otherwise.

The Canadian Classification provides:

Articles, which on account of length, require a series of two or more platform cars for carriage, will be charged classification minimum for the first car (the longest car in the series to be considered the first car) and two-thirds of classification minimum (subject to section (b)) for each additional car over which the load extends.

A series shall be determined by the number of cars over which the continuous loading extends. If any car in a series is used to protect another series, for same consignee and destination, it shall be charged for once only; for example, if the loading rests on car A, and extends over car B, and car B is also used in connection with another loading resting on car C, it will be considered as two series—cars A and C each being charged for at the classification minimum weight, and car B at two-thirds of the minimum weight of the longest car, actual weight of the shipment to be charged for if in excess of the foregoing aggregate minimum weight.

As the transportation of articles of exceptional length is attended with more or less hazard, continuous loading extending over more than three cars will not be accepted without special authority.

You are cautioned in the preparation and tender of shipments of articles of this character, which require two or more cars on account of unusual length, and which must in the course of transportation pass from one classification

territory into another, so to meet these requirements of the respective classifications as to produce the lowest aggregate charge for your shipment to destination.

§ 8. Effect of Minimum Carload Weights.

It will be noted that while the minimum carload weight established for a given article may be 30,000 pounds, the carload rate authorized for such minimum is really afforded the shipper on a considerably less quantity of the article. If the spread between the rates resulting from the less than carload and carload ratings is as great as 50 per cent, the shipper can use the carload rating and rate on any quantity over 15,000 pounds.

For example, if the established carload minimum weight is 30,000 pounds, and the carload rate (based on the minimum) is 50 cents per cwt. and the less-than-carload rate is \$1.00 per cwt., the freight charges on **any quantity less** than 15,000 pounds would be lower when computed on basis of actual weight and less-than-carload rate than if computed on carload minimum weight at carload rate.

If exactly 15,000 pounds were shipped, the freight charges would be exactly the same on either carload or less than carload basis. If more than 15,000 pounds were shipped the lowest freight charges would result from application of carload rate and minimum weight.

The question of carload minimum weights is of great importance to jobbers and wholesalers in competitive territories. This is especially true in the case of more advantageous carload minimums, i.e., lower minimums, accorded local jobbers under state classifications, and their consequent effect on outside jobbers competing with them.

Suppose a jobber located just across a state line is in competition with the jobbers within that state, who probably enjoy not only a low state-maximum scale of rates, but

much lower carload ratings on the same goods dealt in by the outside jobber. If the jobber outside the state is compelled to use a 36,000-pound carload minimum, under an interstate rate, which would in most instances be higher than the intrastate rate of his competitor, and his state competitor enjoys a 24,000-pound carload minimum, the state jobber enjoys a twofold advantage—both in minimum weight and rate.

For the sake of illustration, assume that the difference in the rates resulting to the state jobber from the carload rating was 50 per cent in ratio to the less-than-carload rating, and that the interstate jobber's carload ratio was 62.5 per cent, the rates from the state jobber's warehouse to the point of sale being 40 cents per 100 pounds, l. c. l., and 20 cents per 100 pounds, c. l., and from the interstate jobber's warehouse to the same selling point, 80 cents per 100 pounds, l. c. l., and 50 cents per 100 pounds, c. l. Every time the state jobber sells 15,100 pounds of goods, he enjoys the c. l. rate of 20 cents, but the interstate jobber, even with his higher rates, must load 22,500 pounds of an article before he can employ his c. l. rate of 50 cents. The differences in the rates used in this illustration are made extreme in order to emphasize the effect of differing carload minimum weights from a shipper's standpoint. Many of the state-established carload minimum weights are provided with this specific effect in view.

In the adjustment of rates, care should be given to the proper commercial, as well as traffic, minimum carload weights.

This question presents itself as between the shipper and carrier from two directly opposed standpoints. The carrier desires the increasing of carload minimum weights to be in keeping with the increasing dimensions of its equipment, because this permits the carrier to handle its traffic

more economically; but the shipper looks upon increases with alarm, because of their tendency to restrict his trade operations since high minimum carload weights force him to pay higher less-than-carload rates. Moreover, there is a division of feeling between shippers themselves regarding high and low carload minimum weights. The largest shippers look with favor upon high carload minimums, because of the tendency of such high minimums to discomfort their smaller competitors.

The attitude of the Interstate Commerce Commission, and, of course, of the state commissions, is to make the carload minimum weights fit the requirements of commerce, rather than to make commerce adapt itself to the minimums. And the Interstate Commerce Commission expresses quite emphatically its purpose not to make the carload minimum weights favor a few of the larger shippers who, by the expenditure of exceptional effort and expense, put themselves in position to load more heavily than their smaller competitors, and thus put the majority of shippers at a competitive disadvantage.

It is noticeable, of course, in an examination and comparison of the carload ratings in the three interstate classifications, that there are differences in the established carload minimum weights for the same articles. Theoretically—and in a majority of instances, actually—these variances in carload minimum weights in the respective interstate classifications are in harmony with the differing industrial and commercial conditions of sale and distribution in the several sections of the country.

The question is one of the most important issues encountered in the field of rate adjustment, and you should make it the subject of searching scrutiny at all times when you are confronted with intensely competitive commercial conditions.

CHAPTER X.

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- § 22. Difference in Classification Ratings of Articles According to Degree of Manufacture.
- § 23. Parts or Pieces Constituting One or More Complete Articles.

CHAPTER X.

INTERPRETATION AND COMPARISON OF CLASSIFICATION RULES.

This chapter is devoted to one of the most important features of traffic study—a comparative interpretation of the rules contained in the Official, Western, and Southern Classifications. These rules are not uniform, and their proper and legal interpretation is often of greater importance than the rating provided in the classification items.

You will obtain better and more comprehensive results if you pursue these interpretations and comparisons of the rules with the aid of actual reference to the classifications themselves. You can readily obtain access to all three of these interstate classifications in the office of the local freight agent. You have a right, without stating your purpose, to examine any classification schedule or tariff of rates on file in the local freight office of the carrier, and a courteous request made to any local freight agent will afford you an opportunity to examine these classification schedules as they actually exist, and probably obtain the assistance of the agent or his associates, if you desire it, in interpreting it.

The Official Classification will be used as the basis of comparison, because it is the oldest and usually considered the most scientifically adjusted of the three interstate classifications.

§ 1. Application of Uniform and Carrier's Bills of Lading.

The rules contained in the three interstate classifications (and state classifications as well) just as effectively are a part of and control the application of the ratings provided in the body of the classification, as any other rule, condition, or provision, in the classification schedules or tariffs of the carriers affecting the rate of charge. They exercise a general effect as rules of shipping, and have frequent specific application by direct reference found in the item of classification. Thus, you find in the Official Classification that Galvanized Conductor Pipe, loose, in carloads, is rated 4th class, subject to a minimum weight of 24,000 pounds, subject to Rule 27, and that Gas Pipe, in carloads, is rated 5th class, subject to a carload minimum weight of 36,000 pounds, but without reference to Rule 27. Rule 27, of this classification, establishes varying carload minimums proportionately corresponding to the increase of car dimensions above the standard dimensions of a 36-foot box car. In shipping the conductor pipe, provided with a low minimum of 24,000 pounds applicable to a standard 36-foot car, the minimum weight upon which you would have to pay freight charges would vary above the 24,000 pounds carload minimum weight specified in the classification item, as the dimensions of the car actually used vary with respect to a 36-foot car. If the car used happened to be a 40-foot 6-inch car, you would have to pay on a minimum weight of 26,880 pounds instead of on 24,000 pounds; or, if the car measured 50 feet 6 inches, your minimum weight would be nearly doubled, or 38,880 pounds. (Note—In the Official and Southern Classification schedules, the varying carload minimums begin with a standard 36-foot car, but in the Western they commence with a 33-foot 6-inch car.)

It is the usual practice to make the low carload mini-

mums subject to a scale of varying minimum weights graduated according to the varying sizes of cars.

Since the execution of the bill of lading, and the acceptance of its numerous conditions, constitute the initial step in the process of putting a shipment in transportation, your attention will be first directed to the rules in the classification relating to the use and acceptance of that instrument.

Both the Official and Western Classification schedules contain and condition the application of the article-ratings established upon the acceptance of the Uniform Bill of Lading. The Southern Classification schedule contains merely a provision to the effect that "if released," the ratings established will govern. "If released" means the acceptance of the conditions of the Carrier's Bill of Lading used by the southern lines.

The Official and Western Classification schedules contain the following optional application of the conditions of the Uniform Bill of Lading to their ratings:

"In order that the consignor may have the option of shipping property, either subject to the terms and conditions of the Uniform Bill of Lading hereinafter set forth or under the liability imposed upon common carriers by the common law and the federal and state statutes applicable thereto, the Official Classification provides for different rates and for different forms of Bills of Lading to be used, respectively, as the consignor may elect to have a limited liability or a common carrier's liability service."

The ratings as they appear in the classification items are termed "released" under this provision, and unless the consignor, at the time of offering his shipment, notifies the agent of the forwarding carrier that he does not desire to accept the conditions of the Uniform Bill of Lading, but desires a carrier's liability service, it is assumed by the

carrier that he desires his shipment transported subject to the conditions of this bill of lading. If he desires the carrier's liability service, and so notifies the agent of the carrier at the time of offering his shipment, the agent should print, write, or stamp, upon the bill of lading the following notation:

"IN CONSIDERATION of the higher rate charged, the property herein described will be carried at the carrier's liability, limited only as provided by law, but subject to the terms and conditions of the Uniform Bill of Lading in so far as they are not inconsistent with such common carrier's liability."

"The higher rate charged" will be ten per cent. (10%) higher than the rate charged for the same article, in the same quantity, when subject to the conditions of the Uniform Bill of Lading, but subject at all times to a minimum increase of one (1) cent per 100 pounds. This means that the rate will be ten per cent. more than the tariff rate resulting from the rating as shown in the classification item, but that this increase may not be less than an additional cent per 100 pounds in the rate published. Thus:

The rating on decorative lumber, in carloads, is 5th class, in the Official Classification. Suppose, that for a short movement, where the 5th class rate was 8 cents per 100 pounds, you desired to ship a carload, not subject to the conditions of the Uniform Bill of Lading, but at the common carrier's liability. The rate, in this instance, would be 10 per cent. higher than 8 cents, or an increase of 0.8 of a cent. It would be applied as 1 cent, and the rate would be 9 cents per 100, for the common carrier's liability service.

If the rate to be increased, however, were 21 cents, the factor of increase would end in a fraction, which should be

expressed decimally—thus, 2.1, and added to the original rate of 21 cents, making the increased rate 23.1 cents.

The Southern Classification provides that articles carried not subject to the conditions of the Carrier's Bill of Lading will be at the carrier's liability, limited only as provided by common law and by the laws of the United States and of the several states, in so far as they apply, and charged for at rates ten per cent. (10%) higher than if shipper were subject to the conditions of the Carrier's Bill of Lading, and liable to a minimum of increase of one (1) cent per 100 pounds. This increase of charge is applied and computed in the same manner as shown for the Western and Official increases, and notice of your election to ship not subject to the terms of the bill of lading should be made to the carrier's agent in like manner.

Marine Insurance. It frequently happens in each of the interstate classification territories, that a rail carrier forms a part of a water and rail route, over which a through bill of lading is issued, and the property, while in movement over the water portion of the route, is subject, of course, to loss from the perils of the sea. Marine insurance should be optional with the shipper, but as a matter of prudence should be resorted to. The shipper, however, should be entirely free to make his own election in this respect.

The Official and Western Classification schedules provide that the cost of marine insurance will not be assumed by the carriers unless specifically provided for in their tariffs. The Southern Classification schedule is silent upon this matter, but the rule applies with equal force. It has been properly said by the Commission that the bill of lading should plainly state the liability assumed by the carrier, and that the shipper's attention should be directed to the absence of such a provision and to the fact, if it

exist, that a lower rating may be enjoyed by an acceptance of the terms and conditions of the Uniform Bill of Lading.

W. P. Co. vs. B. & M. R. Co., 13 I. C. C. Rep. 258.

I. C. C. Confr. Ruling No. 160, Bulletin No. 6. (April 6, 1909). (Compare with Ruling 226, Nov. 9, 1909.)

§ 2. Description of Articles in Shipment.

It is the common rule of the three interstate classifications that the contents of all packages offered for shipment should be stated in the shipping receipt.

You should accurately describe the kind of article, the manner of packing, and the character of the package used, because, should there be different ratings for the article when differently prepared or packed, the carrier, in the absence of such descriptions, would charge the highest rating provided for the article. Never describe the contents of a shipment as "mdse.," "merchandise," "sundries," "fancy goods," "packing house products" or "P. H. P." (the abbreviation for packing house products), "structural iron or steel," etc. Give the proper name of the article or articles and the manner in which shipped.

As to a rule requiring the contents of a package to be listed on the outside of the package, serious objection is properly offered by shippers, because of the tendency of such a rule to encourage theft.

§ 3. Requirements and Specifications Governing the Use of Fibre Packages.

In the last few years the use of light-weight fibre packing cases or boxes, instead of heavier wooden boxes, has greatly increased. The use, however, of packing cases of this character requires compliance with certain standards of strength in the material of which the cases are constructed and the manner in which the cases are fitted to-

gether, in order to insure the proper amount of protection to articles so packed while in transit.

The rules adopted and put in force by the three interstate classification schedules are uniform, and apply to packing cases or boxes made of fibreboard, pulpboard, or double-faced corrugated strawboard. The object of these rules is to bring the fibre cases up to a proper standard of protection to goods packed in them. Such fibre cases or boxes must bear the certificate of the box maker that they comply with the requirements of the rules in respect to the material and its thickness, of which the boxes are constructed, dimensions and resistance strength according to the Mullen test.

Several different kinds and styles of boxes and cases are provided for, as well as interior containers, and care should be given to the requirements governing the character of package best adapted to the necessities of the business and traffic.

A penalty, resulting in an increase in the rates, is inflicted if the shipper fails to certify on his shipping order and bill of lading that the shipment conforms to the specifications contained in the box maker's certificate. Each of the classification schedules provides a form for thus certifying the compliance with the fibre package specifications, making specific reference to the individual rules by number in each of the classifications. As a matter of economy the following form of stamp is suggested to be placed on shipping orders and bills of lading:

"The fibre boxes used for this shipment conform to the specifications set forth in the box maker's certificate thereon and all other requirements of Rule 42 of Western Classification, Rule 2(B) of Official Classification, and Rule 9 of Southern Classification."

Certainly no one is more interested in delivering goods

to the customer than the manufacturer and shipper. Attention should be paid to the proper and effective sealing of packages, in addition to stripping with tape. With proper care most goods will reach the customer in perfect condition, but a damage claim is a poor substitute for the proper delivery of a shipment.

Full specifications and rules governing the use of the fibre package or box are found in the various classifications.

The Official, Western and Southern Classification schedules provide that the ratings on articles in "wooden boxes" will apply to the same articles in the fibreboard boxes specified.

The Canadian Classification provides that ratings on articles "Boxed" or "in Boxes or Cases" will apply on the same articles in fibreboard, pulpboard or double-faced corrugated strawboard boxes, with or without wooden frames, provided the requirements and specifications are fully complied with; if the requirements and specifications are not fully complied with the freight rate shall be increased 20 per cent., with a minimum increase of 2 cents per 100 pounds, subject to the right which carriers reserve to decline shipments in insecure packages. A like penalty is carried in each of the interstate classifications. (See Note.)

NOTE—In computing the rate to be charged under this rule, fractions of one-half cent or less shall be dropped, and those of more than one-half cent shall be considered as one cent; for example: if the class rate applicable upon the property in boxes or cases is 82 cents per 100 pounds, the rate to be charged when shipped in the packages described will be 98 cents per 100 pounds, the fraction being dropped; if the class rate is 38 cents per 100 pounds, the higher rate to be charged will be 46 cents per 100 pounds; if the class rate is 4 cents per 100 pounds, the increase

would be eight-tenths of one cent, and the minimum charge will be 6 cents per 100 pounds.

In each of the classifications special specifications must be observed in the packing of glassware, fragile articles, and articles packed in glassware or earthenware, in fibre packages. Fibre packages containing such articles, when the gross weight of the package exceeds 65 pounds, are not accepted for transportation. Read these specifications carefully in the various classifications.

§ 4. Marking Freight.

Many damage claims for losses of freight in transit are presented yearly to the carriers of the country, and in many instances these claims could be prevented by the shipper giving more attention to the proper marking of his shipments. Shippers fail to remove old tags or consignment marks and insufficiently attach tags, or fail to make their markings explicit enough to enable the carrier to make accurate deliveries.

The rules in the three general classification schedules are to the same effect, but the requirements of the Western and Southern schedules as to tag specifications are more explicit than in the Official.

The rule governing the marking of shipments under Official Classification schedule is as follows; and so far as it goes is uniform with similar rules in the Western and Southern schedules, but each of the latter contains additional tag requirements:

"Each package, bundle or piece of less than carload freight when tendered for transportation by shipper must be plainly marked by brush, stencil, marking crayon, marking pencil, rubber stamp, pasted label or tag securely fastened or attached, or other legible method of marking, showing the name of the consignee, the name of the

station, town or city, and the name or abbreviation of the state to which destined, with the following exceptions:

"When articles are not boxed, barreled, crated or sacked and are shipped loose in pieces or when pieces are wired or otherwise fastened together in lots or bundles, and the shipment consists of not more than ten pieces, lots or bundles, at least two pieces, lots or bundles in each shipment shall be marked in accordance with this rule; and when the shipment consists of more than ten pieces, lots or bundles, one for every ten or additional part thereof shall be so marked, but not more than ten such markings shall be required for any shipment from one consignor to one consignee and destination. Each marking under this exception must show the total number of pieces, lots or bundles in the entire consignment.

"Articles which are not classified or rated in carloads and are subject to less-than-carload rates for shipment in any quantity, and which are shipped loose in pieces or in packages from one consignor to one consignee and destination, and are loaded by shippers in cars to 30,000 pounds or the cubic capacity of the car, will be accepted without marking.

"The marks on packages, bundles or pieces which are required to be marked must be compared with the shipping order and bill of lading and corrections, if necessary, made by the consignor or his representative before receipt is signed. Old consignment marks must be cancelled, removed or effaced before packages, bundles or pieces will be accepted for transportation.

"Freight consigned 'To Order' must have the words 'To Order' also marked thereon in addition to being otherwise marked, as provided for in this rule.

"Freight consigned to a place of the same name as another place in the same State must have the name of the

County marked on each package, bundle or piece required to be marked by the foregoing rule or exceptions thereto, and the name of the County must also be shown on the shipping receipt.

"When freight is consigned to a place not located on the line of a railroad, each package, bundle or piece required to be marked by the foregoing rule or exceptions thereto, must be marked with the name of the station at which the consignee will accept delivery; or if routed in connection with a water line on which there are no joint rates in effect, the name of the place at which delivery is to be made to such water line must be marked on each package, bundle or piece required to be marked by this rule.

"Freight not marked in accordance with the foregoing rule or according to exceptions thereto specifying markings will not be accepted for transportation."

The Canadian Classification rule is:

"Each package, bundle or piece of less-than-carload freight must be plainly marked with the information necessary to carry it to destination and insure proper delivery. Old marks must be removed or effaced.

"All freight C. L. or L. C. L. for rail and lake transportation must be fully marked as above required.

"Freight consigned to a place of which there are two or more of the same name must not be accepted unless the name of the County and Province or State, be given.

"When freight is consigned to a place not located on the line of a railway, the bill of lading must state the name of the railway station at which the consignee will accept delivery, or if destined to a place reached by a water line, the name of the railway station at which delivery is to be made to such water line."

In addition to these provisions, the Western and South-

ern schedules contain the following marking and tag requirements:

"Labels must be securely attached with glue or equally good adhesive.

"Tags must be made of metal, leather, cloth, or rope stock or sulphite fibre tag board, sufficiently strong and durable to withstand the wear and tear incident to transportation.

"When such cloth or board tag is tied to any bag, bale, bundle, or piece of freight, it must be securely attached through a reinforced eyelet.

"Tags used to mark wooden pieces or wooden containers must be fastened at all corners and center with large-headed tacks or tag fasteners, or tags may be tied to wooden pieces when the freight would be injured by the use of tacks or tag fasteners.

"Tags tied to bags, bales, bundles, or pieces must be securely attached by strong cord or wire, except that when tied to bundles or pieces of metal they must be securely attached by strong wire or strong tarred cord."

1a. Freight Exempt from Marking. If the shipment fully occupies the visible capacity of a car, or weighs 24,000 pounds, or more, when shipped from one station, in or on one car, in one day, by one shipper for delivery to one consignee at one destination, it need not be marked. This is a technical statement to the effect that a carload quantity of an article need not be marked when it is included in one consignment.

2a. Comparing Marks with Shipping Order or Bill of Lading. Marks on bundles, packages, or pieces, must be compared with the shipping order or bill of lading, and corrections, if necessary, made by the shipper or his representative before receipt is signed.

3a. Old Marks Must Be Removed. All old consignment marks must be removed or entirely effaced. This is an extremely important rule to be strictly observed in all instances where a formerly used package or box is used.

4a. Freight in Excess of Full Cars to be Marked. Unless the excess is the result of carrier's failure to furnish car ordered by the shipper, freight in excess of full cars must be marked as required for less-than-carload consignments.

Shipments not properly marked in compliance with these several rules should not, and generally are not, accepted for shipment by the carriers.

§ 5. Misdescription of Contents of Packages and Inspection Thereof.

The rules governing the false description of property when tendered to a carrier for transportation are embraced in paragraphs 2 and 3, of Sec. 10, of the Act to Regulate Commerce, as amended March 2, 1889, and June 18, 1910, and provide for the infliction of heavy penalties upon conviction of the violation thereof. Each of the three interstate classification schedules contains these two paragraphs of the statute, as follows:

1a. Penalties for False Billing, etc., by Carriers, Their Officers and Agents. "Any common carrier subject to the provisions of this act, or, whenever such common carrier is a corporation, any officer or agent thereof, or any person acting for or employed by such corporation, who, by means of false billing, false classification, false weighing, or false report of weight, or by any other device or means, shall knowingly and wilfully assist, or shall willingly suffer or permit any person or persons to obtain transportation for property at less than the regular rates then established

and in force on the line of transportation of such common carrier, shall be deemed guilty of a misdemeanor, and shall, upon conviction thereof in any court of the United States of competent jurisdiction within the district in which such offence was committed, be subject to a fine of not exceeding five thousand dollars, or imprisonment in the penitentiary for a term of not exceeding two years, or both, in the discretion of the court, for each offense."

The Canadian rule is as follows:

"(c) If any person or company shall knowingly or wilfully by false classification, false weight, false representation of the contents of any package, or false report of weight, or by any other device or means, whether with or without the consent or connivance of any agent or agents of the transportation company, obtain transportation of goods at less than the regular tolls then authorized and in force, such person or company shall, in addition to the regular tolls then authorized, or in force, be liable to pay to the transportation company a further toll of fifty per cent. of the regular charge. (See Sec. 400 of the Canadian Railway Act, Chap. 37 R. S. C., 1906.)"

2a. Penalties for False Representation by Shippers.

"Any person, corporation, or company, or any agent or officer thereof, who shall deliver property for transportation to any common carrier subject to the provisions of this act, or for whom, as consignor or consignee, any such carrier shall transport property, who shall knowingly and wilfully, directly or indirectly, himself or by employee, agent, officer, or otherwise, by false billing, false classification, false weighing, false representation of the contents of the package or the substance of the property, false report of weight, false statement, or by any other device or means, whether with or without the consent or conniv-

ance of the carrier, its agent, or officer, obtain or attempt to obtain transportation for such property at less than the regular rates then established and in force on the line of transportation; or who has knowingly or wilfully, directly or indirectly, himself or by employee, agent, officer, or otherwise, by false statement or representation as to cost, value, nature, or extent of injury, or by the use of any false bill, bill of lading, receipt, voucher, roll, account, claim, certificate, affidavit or deposition, knowing the same to be false, fictitious, or fraudulent, or to contain any false, fictitious, or fraudulent statement or entry, obtained or attempted to obtain any allowance, refund, or payment for damage or otherwise in connection with or growing out of the transportation of or agreement to transport such property, whether with or without the consent or connivance of the carrier, whereby the compensation of such carrier for such transportation, either before or after payment, shall in fact be made less than the regular rates then established and in force on the line of transportation, shall be deemed guilty of fraud, which is hereby declared to be a misdemeanor; and shall, upon conviction thereof in any court of the United States of competent jurisdiction, within the district in which such offence was wholly or in part committed, be subject for each offence to a fine of not exceeding five thousand dollars or imprisonment in the penitentiary for a term of not exceeding two years, or both, in the discretion of the court: Provided, that the penalty of imprisonment shall not apply to artificial persons."

3a. Inspection of Property. The foregoing extract from the Act to Regulate Commerce, as well as the laws of the various states, imposes upon shippers the obligation to furnish the correct description of property tendered

carriers for transportation, but the carriers themselves should exercise proper and reasonable diligence to determine the correct description of the property.

When agents of the carriers believe it necessary that the contents of packages or of cars be inspected, they shall make or cause such inspection to be made, or require other sufficient evidence to determine the actual character of the property.

When property is found to have been incorrectly described, correction must be made and freight charges must be collected according to proper description.

The Official Classification specifically provides for inspection of shipment to determine whether or not the obligation which the law puts upon the shipper to furnish the correct description of property tendered for transportation has been carried out. The Southern Classification schedule contains a like specific rule, but the Western schedule simply directs the attention of carriers to the importance of requiring observance of these provisions of the interstate law.

In this connection the Official Classification forbids the agent of the carrier accepting prepayment of freight charges at the forwarding station unless he is satisfied that the article upon which the prepayment is tendered is correctly described in the shipping receipt.

The Canadian Classification provides:

“(a) All shipments are subject to examination and inspection as to correct description and weight, and will be charged at the gross weight except that when an article is classified to be accepted at minimum weight, such minimum weight will apply.

“(b) If upon inspection it is ascertained that the articles shipped are not those described in the bill of lading, the charges must be paid upon the articles actually shipped,

and at the rates and under the rules provided for by this classification and subject to the provisions of sub-section (c) of this rule."

While the Interstate Commerce Commission has been lenient with shippers in the past who have violated these sections of the act with intent to procure thereby lower charges on their goods, its present attitude is toward a stricter administration of the law. This was well illustrated in the case of the American Thermos Bottle Company, of New York, which company was fined \$200 each on two counts for attempting to misdescribe freight consisting of insulated jacketed bottles, including some which were nickel-plated, as "glass bottles," thereby securing a rate of 18 cents instead of the lawful rate of 23 cents then in effect.

Inspections are made by the representatives of the weighing and inspection bureau, and, in the absence of such inspectors, by the agent of the carrier.

§ 6. Carload Shipments.

In the previous discussion of carload quantities and ratings, your attention was directed mainly to the necessity for and relation of carload quantities of articles in establishing reduced ratings therefor. At this point your attention is drawn to the respective classification rules contained in the interstate schedules governing the handling of carload quantities of freight and conditions affecting their ratings.

The carload minimum weight is usually shown opposite the rating provided for the article in the body of the classification schedule, and hence the rules governing carload minimum weights contained in the rules-section of each of the three interstate schedules are general in their applica-

tion. They are of such importance, however, that they will be given in their exact language.

1a. Minimum Carload Weights. The Official Classification provides as follows:

"Unless otherwise provided in the Classification, the minimum weight upon all property in carloads, when loaded upon flat or in gondola, stock or box cars, will be 30,000 pounds (actual weight to be charged for when in excess of the minimum weight—see Sec. D of this rule), except as provided in Sec. C of this rule, Rule 7A and Rule 27.

"For dimensions of flat, gondola, stock or box cars, see the Official Railway Equipment Register (which can usually be found in the local freight agent's office. Issued by G. P. Conard, Agent), and reissues thereof."

The Southern Classification establishes a general carload minimum of 24,000 pounds, unless otherwise provided in the classification proper, and provides, further, that when a minimum weight of more than 20,000 pounds is specified, such minimum is to apply regardless of the length of the car used.

If the minimum, however, for the carload quantity is 20,000 pounds, or less, the minimum weight will be increased proportionately with the increase in size of the car above the standard 36-foot car. The basis of these premium minimum weights descends as low as 8,000 pounds specified in the classification.

In the establishment of premium and deduction minimum carload weights, the Western Classification uses as a standard car one 36 feet in length, inside measurement, and adds 3 per cent of weight for each foot in excess of 36 feet, and deducts 3 per cent of weight for each foot less than 36 feet, but not to exceed a minimum deduction below

91 per cent. In the computation of premium and deduction weights fractions of a foot, 6 inches or less, are disregarded.

The "premium and deduction" charge was first introduced into the Western Classification schedule, effective September 15, 1895, where it was applied only to specific commodities. For instance, buggies and light vehicles were given a third class rating with minimum of 12,000 pounds for cars not exceeding 45 feet in length, outside measurement, subject to a deduction of 5 per cent per foot on cars less than 45 feet in length and an additional charge of 5 per cent per foot on cars exceeding 45 feet. In the Western Classification, effective January 31, 1901, buggies and light vehicles were raised to second class with the same minimum and premium and deduction charges. Western Classification, effective April 1, 1902, established Rule 6, which contained practically all the provisions now embraced in Rule 6-B. The initial minimum, or the minimum for the standard car, was made somewhat lower in this classification than the flat minimum which had been applicable theretofore on certain commodities. For example, on bank, store, and office furniture the flat minimum prior to April 1, 1902, was 12,000 pounds; on light vehicles it was 12,000 pounds. In Schedule No. 33, these were given a minimum of 10,000 pounds for a standard car of 36 feet in length and made subject to Rule 6-C. These provisions were incorporated in Rule 6-B of Western Classification, Schedule No. 34, effective October 1, 1902, which is the first time that Rule 6-B with its present contents appeared in the classification. It has been continued from that time to the present.

Practically no objections have been raised to an increase in the minimum with an increase in the size of the car, especially in view of a somewhat general practice of car-

riers, confirmed by the Interstate Commerce Commission, to the effect that if a carrier, for its own convenience, furnishes a car of a larger size than the one ordered, or two smaller cars, the minimum applicable to the size of the car ordered shall govern. The provision that the minimum applicable to the size of car ordered shall govern should be made universal. With that purpose in view, a rule in accordance with such practice should be included in the classification. The principle of increasing the minimum weight to correspond with the increase in the size of the car must be recognized as correct and as tending towards efficiency and economy in loading. With such provision the incentive is not always present to utilize car space to the fullest extent practicable. But there remain two vital, fundamental problems, the one dealing with the size of the steps or gradations through which the minimum shall be advanced with increasing size of the car, and the other having to do with what may be called the initial minimum applicable to shipments in the standard car and which constitutes the base of the sliding scale.

The steps of advance in Rule 6 are based directly upon increases in the length of cars, the rule providing an increase in the minimum weight for every linear foot. For all articles or commodities, which, by their shape, or lack of definite shape, are capable of being loaded into classes of lengths, such a rule seems to fit exactly. It is obvious that for all classes of grain in bulk, for instance, the loading capacity of the car increases directly with both its length and cubical contents. Every addition to any one of the three dimensions means a possible increase in the weight of the load. This, however, is not true of articles that in their transportation form have certain rigid cubical dimensions. For boxes having dimensions of $1\frac{1}{2}$ feet by 2 feet by 3 feet, an increase of one foot in length of a car

will not result in an increased loading capacity, for the reason that the package dimensions are not exact divisors of the increased car dimensions. The same suggestion would apply to articles like baled hay or straw, excelsior, and practically all other articles that have a general rectangular shape. In all such cases there is an increase in the loading capacity with an increase in the size of the car only to the extent to which the increased dimensions permit of an increased number of tiers or bales. This can happen only when the car dimensions are integral multiples of package dimensions. Fractions of packages can not be loaded generally. This class of articles must be very large, and a consideration of loading to the full capacity of the car would suggest that the scale representing increases in minimum with the increased size of the car should vary for different articles, the standard package for each commodity being used as the decisive factor in establishing the steps of the scale.

It is apparent that shippers of hay will be obliged to adopt certain standard bales if such standards have not already been established, or pay for car space which they can not fill. It would be as unreasonable to expect carriers to work out sliding scales for a capricious variety of sizes of bales as it is reasonable, in the judgment of the Commission, to adjust the scale of minimum to the standard bale. The Commission is of the opinion that the principle of Rule 6 is just and proper, but that the form of expression of the rule must vary with the articles to which it is to be applied, using linear feet singly or in multiples, or cubical contents, as may best fit each commodity.

The Commission, in its investigation of Western Classification No. 51, suggested that the restriction of the present rule to light and bulky articles is probably not defensible,

and that some form of sliding scale should be made to apply to all articles, whether light and bulky or otherwise.

The vital question remaining relates to the initial minimum. What this shall be can only be determined by a careful investigation regarding each article. For light and bulky articles the initial minimum must clearly be less than it is for heavy articles; and it must vary with the different degrees of lightness and bulkiness. The graduate scale should be made to apply whenever the minimum fixed is equivalent to the loading capacity of the small car.

One of the most important questions in the investigation of Western Classification No. 51 held by the Interstate Commerce Commission related to agricultural implements. Since 1887 the Western Classification has carried agricultural implements at the following minima:

	Pounds
No. 14, effective January 1, 1887.....	20,000
No. 19, effective January 1, 1895.....	24,000
No. 21, effective September 15, 1895.....	20,000
No. 45, effective November 1, 1908.....	24,000

This latter minimum has been carried forward in succeeding issues until the present time.

As noted above, Western Classification No. 51 makes Rule 6-B applicable to the minimum of 24,000 pounds; and chiefly out of its application arose the many complaints of the agricultural implement people which the Commission investigated. While the classification has provided this minimum of 24,000 pounds, the Western Trunk Line rules, under which practically all these shipments have moved for an indefinite period past, have provided for a minimum of 20,000 pounds. Only one construction can be placed upon this action of the Western Trunk Line carriers;

namely, that in their judgment the minimum provided by the Western Classification was too high, and that under the conditions prevailing in the various territories which the Western carriers serve, 20,000 pounds was the proper minimum. Upon the record before the Commission in its investigation of No. 51, it expressed itself as convinced that 20,000 pounds, so long recognized by Western carriers, was no longer proper. On the contrary, the Commission believes that the application of Rule 6-B to a minimum of 24,000 pounds is justified and that the initial minimum for the application of this rule, or some acceptable modification of it, on shipments of agricultural implements should be 20,000 pounds for a 36 foot car.

At the time of the investigation much was said regarding a commercial minimum as opposed to or contrasted with the physical minimum. The physical minimum is that minimum which represents the weight or bulk quantities which can be loaded into a car from a point of view of space, or the theoretical number of packages capable of being loaded into a car, determined by dividing the cubical contents of the car by the cubical contents of one of the packages, multiplied by the weight of the package, possibly with some consideration of the dimensions of the package. The commercial minimum is that minimum which represents the unit of purchase and sale of the commodity in question as established by custom and the conditions existing in that trade and in the territory in which it governs at the time the minimum was established.

The physical minimum would consider only physical loading capacity, while the commercial minimum would consider in addition trade requirements, conditions of manufacture, distribution, and consumption. While there are doubtless many commodities to which a rigid physical minimum test may be applied without hardship to any

one, there are many others to which such a test can not fairly be applied. Even in the case of a heavy commodity, like coal, to which the physical minimum rule might be supposed to be applicable quite as generally as to such articles as crushed stone and iron ore, an excessively high minimum, say, of 80,000 pounds, would prevent the shipping of coal in carload lots to many small communities. For purposes of illustration, it might be assumed that a certain carrier had discarded all equipment except cars of 80,000 pounds and over, and that it had established a minimum on coal of 80,000 pounds. The result of this would inevitably be that every small community along the line of that carrier would be compelled to ship in its coal in less than carload quantities and at less-than-carload rates. This whole question centered, so far as the proceeding before the Commission regarding Western Classification No. 51 was concerned, primarily around agricultural implements. It may be helpful to make a similar assumption regarding this class of traffic. Will it be supposed for one moment that agricultural implements would be shipped in carload lots with a minimum of 80,000 pounds to any but the largest distributive centers? This is a somewhat violent assumption, because the gap between the 24,000 pounds in the classification and 80,000 pounds is a great one, but it drives home the point that mere physical capacity can not in fairness be permitted to govern universally.

The Interstate Commerce Commission has constantly to deal with situations alleged to be comparable with or to rise out of commercial conditions. If individual rates, with respect to which the Commission is required to make orders, or which the carriers establish, may be determined as they have been by so-called commercial conditions, why should not minimum weights be effected and established in the light of these same conditions?

The Commission stated its conclusion to be that carriers should take into consideration both the physical minimum and the commercial minimum in deciding upon a classification minimum to govern carload shipments throughout the country, and provide themselves with cars of corresponding sizes. What this shall be must be determined in the light of all the facts applicable to each individual case. In their application to the specific case of agricultural implements, as suggested above, the Commission stated it was convinced that the minimum of 20,000 pounds so long maintained by the Western Trunk Lines should be continued, subject to some proper scale, until subsequent and more comprehensive investigations demonstrate the necessity and justice of making a change.

The application of the Western Classification scale of premium carload minimum weights is illustrated by the following shipments:

Suppose you were to ship 16,000 pounds of fibreboard boxes with wooden frames, between points subject to Western Classification ratings. Fibreboard boxes with wooden frames, in carload lots are classified as follows in Western Classification:

Boxes, fibreboard, pulpboard, or strawboard, with wooden frames: In packages or loose, C. L., min. wt., 20,000 pounds, subject to Rule 6-B, fourth class.

You are confronted with this proposition: You have 16,000 pounds to ship, and if you ship it in a 36-foot car (technically a car over 35 feet 6 inches, to and including 36 feet 6 inches, inside dimensions), you must pay freight charges on 20,000 pounds. This quantity of fibreboard with wooden frames could just as well be loaded into a car 33 feet 6 inches in length, or less, and demand should be made for such size of car. In this case, your carload

minimum weight would be but 18,200, or a saving of 9 per cent in freight charges.

In the event your shipment weighed in excess of 20,000 pounds, you would require the size of car admitting of the computation of charges on the actual weight.

If your shipment had been exactly 18,000 pounds, you could still have used the 33-foot 6-inch car, and paid upon a minimum of 18,200; or, if it had weighed in excess of 18,200 pounds, you could employ a 34-foot car, and pay on 18,800, or a 35-foot car and pay on 19,400 pounds.

It is apparent from these illustrations that constant care must be given to the shipment of articles taking carload rates which are subject in their loading to the premium minimum carload weights provided for in Rule 6-B of the Western Classification.

The graduated carload minimum weights provided for in the Southern Classification are confined to minimum weights established in rating items of the classification at 20,000 pounds, or less. Nor does this classification graduate the minimum carload weights for cars under 36 feet 6 inches in length, inside dimensions. In fact, the Western is the only one of the three interstate classifications which does graduate carload weights for cars under standard size.

In the case of commodities whose minimum carload weights are established at 20,000 pounds, or less, down to as low as 8,000 pounds, great care should be exercised in ordering cars, not to order a car of greater dimensions than is necessary to contain the quantity to be shipped. Because it is in these instances of the use of over-sized cars that the increased minimum weights are made to apply.

Thus: You wish to ship a quantity of show cases, weighing 9,500 pounds, subject to Southern Classification

ratings. Show cases, glazed or unglazed, in carload lots, subject to a minimum weight of 10,000 pounds, are rated first class, as against double-first and one and one-half times first class in less than carload lots.

If you load your 9,500 pounds of show cases in a 36-foot 6-inch car, or smaller, you will pay on a minimum weight of 10,000 pounds; but if you load the shipment in a 40-foot 6-inch car, your minimum weight will be 12,500 pounds, and if you used a 50-foot car, you would pay on a minimum weight of 18,000 pounds.

The application of the graduated minimum carload weights, under Rule 27 of the Official Classification, is similar to that of the rule in the Southern Classification just noted, except that the graduate standard is 24,000 pounds, instead of 20,000 pounds.

You must remember that articles subject to the Official Classification are not subject to the graduate minimums provided in Rule 27, unless so provided in the specific item of classification.

The Canadian Classification rule is as follows:

"Unless otherwise specially provided for in this classification or subsequent amendments thereto, or modified by sections (c) or (e) of this rule, the minimum weights for carloads shall be as follows, actual weight to be charged for when in excess of the minimum provided:

"(a) Cars not over 36 feet 6 inches in length, inside measurement, or platform measurement of flat cars not over 36 feet 10 inches in length:

1st	}	Class.....	20,000 lbs. per car
2nd			
3rd			
4th	}	Class.....	24,000 lbs. per car
5th			
6th			

7th	} Class.....30,000 lbs. per car
8th	
10th	

"When minimum weights at variance with the foregoing are provided in this classification or subsequent amendments thereto, such minima will apply on cars not over 36 feet 6 inches in length, inside measurement (or platform measurement of flat cars not over 36 feet 10 inches in length), unless otherwise provided.

"(b) Cars over 36 feet 6 inches in length, inside measurement (or platform measurement of flat cars over 36 feet 10 inches in length), as per the following table:

(See classification for table.)

"(d) While the transportation companies desire shippers to load cars to their marked capacity, they reserve the right to unload, at shippers' expense, any excess weight over the marked capacity and forward to destination at L. C. L. rate.

"(e) If marked capacity of car be less than the minimum weights herein provided, the marked capacity will be the minimum. Cars without marked capacity must not be loaded in excess of 24,000 pounds."

2a. Estimated weights per wine gallon of commodities transported in tank cars. Commodities of a nature to be transported in tank cars are usually assigned an estimated weight per wine gallon, which "weight for computation" should be used in connection with the recorded gallonage capacity of the tank car and the minimum charge thus computed.

If, however, both of these factors are absent, or either one of them cannot be ascertained—there being no estimated gallon weight provided, or if the gallonage capacity of the tank car is not recorded in Western Trunk Line

Tank Car Circular above indicated—the tank car with load must be weighed in the usual way, and the weight of the commodity loaded arrived at by taking the difference between the gross weight of the car under load and the marked or actual tare of the car.

The rule of the Southern Classification governing the minimum weights for tank cars is similar to that in the Official schedule with respect to not exceeding the weight-carrying capacity of the tank car, but provides that except for this restriction, the charges are to be computed on the actual weight of the freight in the tank car loaded full. The minimum established for tank cars not full is the gallonage capacity of the tank, as shown in Western Trunk Line tank car circular previously cited, except that the capacity of the dome is not included.

In the Southern schedule the "weight for computation" is to be used in computing charges when (a) the tank is full and the actual weight is not obtainable, and (b) the tank is not full and the gallonage capacity is used to compute the minimum charge.

The rule of the Canadian Classification is: "The minimum weight for freight loaded in tank cars will be based on the full gallonage capacity of the tank, unless the marked weight-carrying capacity of the car is less, in which case the minimum weight will be marked weight-carrying capacity of the car.

"For dimensions of flat, gondola, stock or box cars, see the Official Railway Equipment Register, issued by G. P. Conard, agent, or re-issues thereof.

"For gallonage capacities of tank cars see Circular No. 6 Series, issued by the Western Trunk Line, supplements thereto or re-issues thereof."

The following is an extract from Western Trunk Line Tank Car circular:

"The minimum weight for property in tank cars will be the maximum gallonage capacity of the tank (except that the vacant interior space as required in the shipment of inflammable liquids—see paragraph 1825 of the I. C. C. Regulations for the Transportation of Dangerous Articles other than Explosives—will be deducted from the tank car capacity in computing the minimum weight for such liquids in tank cars) unless otherwise provided for and unless said minimum exceeds the carrying capacity of the car trucks, in which event the minimum weight will be the marked carrying capacity of the car trucks.

"For gallonage capacity of tank cars, see Western Trunk Line Circular No. 6 Series.

The Western Classification schedule does not contain any general rule establishing a carload minimum weight to be used when not otherwise specified in the classification. It does, however, prescribe premium and deduction charges applied to light and bulky articles, when such articles are subject to Rule 6B, which is a graduated scale of minimum carload weights proportionately adapted to cars of different lengths.

The rule in the Western Classification relative to minimum weights for tank cars corresponds with that of the Official schedule.

3a. Ton Weights. The Official Classification contains the following rule, covering articles carried "per gross ton, 2,240 lbs., same as 2,000 lbs.":

"Where the Classification provides for minimum weight of 30,000 lbs. on articles carried per gross ton, 2,240 lbs. same as 2,000 lbs., the minimum carload weight will be 15 gross tons; and where minimum weight of 40,000 lbs., or 50,000 lbs., or 20 or 25 tons is provided for articles

carried per gross ton, 2,240 lbs. same as 2,000 lbs., the minimum carload weight will be 20 or 25 gross tons, as specified."

In application of the above rule the minimum carload weight for articles subject to the clause "per gross ton, 2,240 lbs. same as 2,000 lbs.," shall invariably consist of gross tons, although charges on such shipments are computed exactly as though the gross tons contained in its actual weight (minimum carload weight, if greater) were in reality net tons of 2,000 lbs. For example, if such shipment consists of 25 gross tons (56,000 lbs.) and rate applicable is shown in term "per 100 lbs.," the charges must be computed on 50,000 lbs. If the rate should read "per net ton," or "per gross ton," charges, in either case, would be computed on 25 tons, without regard to terms "net" and "gross."

In the application of this rule you will be guided entirely by the provisions of the Classification covering articles rated in "net" or "gross" tons.

The Southern and Western Classifications contain no specific rules of this kind.

4a. Minimum Carload Weights for Flat, Gondola or Stock Cars. The minimum carload weight rules as just set forth apply to shipments when loaded in or upon flat, gondola or stock cars. For example: the Official Classification specifically so provides in its Rule 5A.

5a. Requirements Necessary to Obtain Carload Ratings and Rates. Under "Quantity of Goods Shipped," Chap. IX., of this volume, Sec. 1, "Carload Shipments," we have discussed the status or fixing of the carload.

Note—It must be understood that the rules relating to carload minimum weights which have been discussed thus far have reference only to carload quantities of single commodities; or, as they are termed, “straight” carloads. Similar rules as they apply to mixed carloads, or carload quantities made up of two or more different articles, will be found on page 177, this volume.

6a. Part Carloads—No Receipts to Be Issued Therefor. The same rule is applied theoretically, but specifically detailed in the Official Classification, in each of the interstate classifications, forbidding the carrier’s agent to issue receipts for part carloads. The rule is that carrier’s agents at forwarding points are not permitted to sign shipping receipts bearing the notation “Part Carload Lot” until shipping receipts for the whole carload have been presented and the freight received in order that bill of lading may be issued at the carload rate, and not more than one original bill of lading may be issued for the whole carload.

7a. Distribution of Carload Shipments. In the event you had a carload quantity in weight, but made up of several separate consignments for different customers at one point, you are not permitted to take advantage of the carload rating on the car as a whole and then have the carrier’s agent distribute the shipments to the several consignees at destination, nor to indulge in a similar process of marshalling separate consignments into a carload at point of origin. In this connection you should familiarize yourself with the rules and the law governing the handling and rating of consolidated shipments in carloads.

The rule is strictly applied under the provisions of the Official, Western and Southern classifications that railroad agents at forwarding points will not receive property

in carloads for distribution by railroad agents to two or more parties; delivering agents will deliver property only to consignee thereof, or to the party or parties presenting consignee's written order, and will not recognize orders from consignor or consignee providing for distribution of carload shipments among various consignees or calling for split deliveries according to brands, marks, sizes, or other identification of packages, nor will railroad agents at delivering points in any way act as the representative of the consignor or consignee for the distribution of carload shipments.

The Canadian Classification provides: "(d) Agent at destination will not distribute carload shipments, neither will he send notices of arrival to more than one consignee, nor will he make more than one expense bill for the charges on the entire carload. In case consignee will not accept notice of arrival, pay the charges on the entire carload and take delivery of the same, but on the contrary requires delivery to more than one individual or firm, agents will correct the waybills to the less than carload rates, make separate notices of arrival and expense bills and collect charges accordingly. The carload rates under the classification are not applicable on freight consigned to railway agents or to the transportation companies' cartage agents for delivery to more than one consignee.

"Note 1. The foregoing will apply on freight from one consignor or owner, and will not cover L. C. L. shipments of property from two or more consignors or owners combined into carloads by forwarding agents claiming to act as shippers.

"Note 2. The term 'forwarding agents' referred to in Note 1 shall be construed to mean agents of actual consignors of the property, or any party interested in the combination of L. C. L. shipments of articles from several consignors into carloads at point of origin."

8a. Freight in Excess of Full Carload. This subject has been dealt with in this volume under the subject of "Quantity of Goods Shipped."

In connection with the application of the rules governing excess freight, your attention is directed to the following provision of the Official Classification, as it may be encountered in your examinations of individual ratings:

Unless otherwise provided in the classification, the rule governing freight in excess of full carloads, will not apply upon articles subject to Rule 27, or upon articles provided with a lower carload minimum weight than 20,000 pounds—whether shipped in straight or mixed carloads—nor on articles carried under the provisions of Rule 7A and Note 6, found in the classification under the heading of "Iron and Steel."

9a. Carrier's Agent May Not Act as Agent of Shipper. Each of the interstate and the Canadian classifications forbid the carrier's agent to act as the agent of the consignor or consignee in the assembling or distributing of freight.

10a. Carload Freight Must Be Weighed—Actual Weight to Govern When in Excess of Minimum Carload Weight. All carload freight must be correctly weighed and charged for at actual weight, or at estimated weight if so classified and rated in the classification, when in excess of the specified minimum. When the actual or the specified weight is less than the specified minimum, the minimum carload weight will be charged, except, of course, as you have learned that in the carload minimum weight the rate will not apply unless the actual or estimated weight of the shipment at the less-than-carload rate would make a greater change than the minimum car-

load weight at the carload rate. The effect of the use of gross and estimated weights in this regard will be discussed in the next paragraph.

It may happen that a car is loaded with a carload shipment of freight at a point where there are no track scales with which to weigh it. In such a case, the car would be billed out to be weighed at the first point having track scales.

§ 7. Gross and Estimated Weights.

It frequently happens that articles measured by definite commercial standards or units are transported under estimated weights. Many liquids are thus weighed.

The rule is uniform in the three interstate classifications that unless otherwise provided in the classification, charges must be computed on gross weights, except when estimated weights are authorized, in which case the estimated weights must be used. In all cases established minimum weight must be observed.

The Southern Classification schedule contains a list of estimated weights to be used when the actual weight of a shipment is not ascertained either at point of origin, in transit, or at destination. These estimated weights are as follows:

Article	Weight	
Clay, per cubic yard.....	3,000	pounds
Gravel, per cubic yard.....	3,200	pounds
Laths, green, per 1,000.....	750	pounds
Laths, seasoned, per 1,000.....	500	pounds
Lumber, per 1,000 feet, viz.:		
Rough, viz.:	Green	Seasoned
Ash (black)	5,000 lbs.	3,500 lbs.
Basswood and Butternut.....	4,000 lbs.	2,750 lbs.
Chestnut, Cottonwood and Cypress.....	5,000 lbs.	3,000 lbs.
Elm (soft)	5,000 lbs.	3,500 lbs.
Gum (red)	5,000 lbs.	3,750 lbs.
Gum (sap)	5,000 lbs.	3,250 lbs.
Hemlock	4,000 lbs.	3,000 lbs.

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Article	Weight	
	Green	Seasoned
Hickory	6,000 lbs.	5,000 lbs.
Oak	6,000 lbs.	4,500 lbs.
Poplar	4,000 lbs.	3,000 lbs.
Yellow Pine, under 6 inches in thickness.....	5,000 lbs.	4,000 lbs.
Yellow Pine, 6 inches and over in thickness....	4,500 lbs.	4,000 lbs.
White Pine	4,000 lbs.	3,750 lbs.
Not Otherwise Specified.....	6,000 lbs.	4,000 lbs.

Note.—Rough lumber is assessed on a proportionate basis of the above when less than one inch in thickness.

Dressed, viz.:

Cypress, Gum, Poplar and Yellow Pine, viz.:

½ in. Bevel Siding	1,000 lbs.
¾ in. Ceiling	1,000 lbs.
½ in. Ceiling	1,300 lbs.
¾ in. Ceiling or Partition	1,600 lbs.
¾ in. Ceiling or Partition	2,000 lbs.
13-16 in. Ceiling, Partition or Flooring.....	2,200 lbs.
N. O. S. (Not Otherwise Specified).....	4,000 lbs. 2,750 lbs.
Drop Siding	2,200 lbs.
13-16 in. Boards	2,600 lbs.
Sand, per cubic yard.....	3,000 lbs.
Shingles, green, per 1,000.....	600 lbs.
Shingles, seasoned, per 1,000.....	500 lbs.
Staves, Headings or Hoop-Poles, green, car loaded to depth of forty-three inches, per car.....	30,000 lbs.
Staves, Headings or Hoop-Poles, seasoned, car loaded to depth of fifty inches, per car.....	30,000 lbs.
Stone, not dressed, per cubic foot.....	160 lbs.
Tan Bark, green, per cord.....	2,600 lbs.
Tan Bark, seasoned, per cord.....	2,000 lbs.
Telegraph Poles, Fence Posts, or Rails, per cord.....	3,500 lbs.
Turpentine, in barrels, per barrel, containing not over 52 gallons (the weight of each gallon in excess of 52 gallons to be computed on the basis of 7.2 lbs. per gallon).....	432 lbs.
Wood, green, per cord.....	3,500 lbs.
Wood, seasoned, per cord.....	3,000 lbs.

Take turpentine, for illustration: Suppose you wish to ship 69 barrels of crude turpentine, subject to the Southern Classification rating, and you are unable to ascertain the scale weight of the load. Compute the weight of the load by using the estimated weight per barrel of 52 gallons, 432 pounds, which gives you a weight of 29,808 pounds. The carload rating for crude turpentine, in barrels, is subject to a minimum weight of 30,000 pounds, in the Southern Classification. You would, then, pay freight charges on the minimum carload weight of 30,000 pounds.

If any of the barrels contained in excess of 52 gallons, you would compute the charges on such excess at an estimated weight of 7.2 pounds per gallon. So, if the shipment of 69 barrels of turpentine happened to embrace six barrels, each with 56 gallons, you would have to compute the weight at 172.8 pounds more than the 29,808 pounds, the weight of 69 barrels containing 52 gallons each.

If you had a car loaded with 10,000 feet of black ash lumber, seasoned, you would compute the weight of the shipment at 3,500 pounds for each 1,000 feet, making the carload weigh 35,000 pounds. If you ship lumber, provide yourself with the standard lumber measurements and methods of measuring lumber, which are issued in book form. (This method of computing weight of shipment is only permitted when actual weight can not be ascertained.)

Computations of weights of less than carload shipments based upon established estimated weights should be computed in the same manner.

For articles listed with estimated weights, see also prevailing exceptions to general classifications; such as Exceptions to Official Classification issued by the Central Freight Association, Western Trunk Lines Exceptions to Western Classification, issued by the Western Trunk Line Committee; Southwestern Lines Exceptions to Western Classification, issued by the Southwestern Lines Committee. These issues are to be used only when tariffs make specific reference thereto.

§ 8. Articles Requiring Two or More Cars.

This subject has been previously discussed in this volume, under the head of "Quantity of Goods Shipped," chapter IX, section 7.—"Articles Requiring Two or More Cars."

1a. Articles Too Bulky or Too Long to Be Loaded in Box Cars. The rule governing the weights of articles too bulky or too long to be loaded in a box car through its side door is practically uniform in the Official, Western, and Southern Classifications. Following is the rule:

"Unless otherwise provided, a shipment containing articles the dimensions of which do not permit loading through the center side doorway, 6 feet wide by 7 feet 6 inches high, without the use of end door or window in a closed car not more than 36 feet in length by 8 feet 6 inches wide and 8 feet high, shall be charged at actual weight and authorized rating, subject to a minimum charge of 4,000 pounds at the First Class Rate for the entire shipment."

The Western Classification also contains the following note:

"Unless a lower rate is otherwise provided, a shipment which contains an article exceeding 22 feet in length and not exceeding 12 inches in diameter or other dimension (when loaded in box car as described in Section B of this rule by the use of the end door or window), shall be charged at actual weight and authorized rating subject to a minimum charge of 1,000 pounds at first class rate for the entire shipment."

(In compliance with order of Interstate Commerce Commission in Case No. 5239, of March 8, 1915, 33 I. C. C. 378, and supplemental order of March 1, 1916, 38 I. C. C. 257.)

The Western Classification also provides that shipments including freight returned for repairs, loaded on open cars, are subject to a minimum charge equal to that for 4,000 lbs. at the first class rate for each car used.

These rules, however, would be subject to the rule provided for in the three Interstate Classifications that the charge for the less than carload shipment must not exceed

the charge for a minimum carload of the same freight at the carload rating.

The Canadian Classification rule is:

"Unless otherwise provided for in this classification, or subsequent amendments thereto:

"(a) L. C. L. shipments too long or too bulky to be loaded in a box or stock car through the side door thereof, and which are loaded on a flat or gondola car, will be carried at actual weight and tariff (class and commodity) rate, subject to a minimum of 5,000 pounds for each car used at first class rate for each consignment from one shipper to one consignee; except that when the classification provides for any article a lower minimum weight than 5,000 pounds, when loaded on a flat or gondola car, such lower minimum weight will apply instead of the minimum of 5,000 pounds referred to for each car used.

"(b) L. C. L. shipments too long to be loaded in a box or stock car through the side door, and which are loaded through the end door or end window thereof, will be carried at actual weight and tariff (class or commodity) rate, plus 50 per cent., but subject to a minimum charge of 1,000 pounds at first class rate for each shipment.

"(c) L. C. L. shipments too bulky to be loaded in a box or stock car through the side door and which are loaded through the end door thereof, will be carried at actual weight and tariff (class or commodity) rate, plus 50 per cent., but subject to a minimum charge of 1,000 pounds at first class rate for each shipment, except that when articles are provided with specific minimum weights in this classification, they will be carried at such minimum weights (or actual weight if greater) and at the class ratings specified therefor."

The application of these rules is very simple: If an article is too big and bulky to go into a box car through

the side door, it must be transported on a flat, coal, or gondola car, and if the actual weight of the article of the rate applicable to the rating given the article in the classification does not produce a total charge greater in amount than the charge on 4,000 pounds at the first class rate, then the actual rating of the article and its weight is ignored and a minimum charge applied for 4,000 pounds at first class rate.

Thus: A boiler weighing 6,000 pounds is too large to pass through the side door of a box car. A single boiler of this kind would be rated in the Official Classification at second class. Suppose the second class rate for the movement desired to be 50 cents per 100 pounds, and the first class rate 56 cents per 100 pounds. At 50 cents per 100 pounds for 6,000 pounds the charge would be \$30.00. This would be more than the minimum provided in any of the classifications. At 56 cents per 100 pounds 4,000 pounds would make the minimum charge but \$22.40; the boiler, in this instance, would move at actual weight and the less than carload rate, or a charge of \$30.00. But, if the boiler had weighed 3,000 pounds, and the same movement were desired, you would have to pay the minimum charge of the first class rate for 4,000 pounds, or \$22.40, because the charge at actual weight, 3,000 pounds, and the less than carload rate, 50 cents per 100 pounds, would be but \$15.00. This would be the operation of the rule in both the Official and Western Classifications.

In the Southern Classification the minimum charge is also based upon 4,000 pounds at the first class rate, making the minimum charge \$22.40, as in the case illustrated.

The application would be entirely the same in the case of articles too long to be loaded through the side door of a box car. You should remember in this connection that

while the rule provides that articles shall be transported upon open cars in the manner described, because too long to be loaded through the side door of a box car, many articles which cannot be loaded through the side door of the ordinary box car can be loaded through end doors when cars are equipped with them.

The present uniformity of the minimum charge in the three classifications is the result of a decision rendered by the Interstate Commerce Commission in Case 5239, reported on page 378 of the 33rd I. C. C. Reports. Prior to this decision, the minimum charge in the Western and Official Classification was based on 5,000 pounds at the first class rate, while the minimum in the Southern Classification was based on 4,000 pounds at the first class rate.

The Commission, in making their decision, took into consideration a rule proposed by the Uniform Classification Committee which would have had the effect of making a minimum charge under the Western, Official, and Southern Classifications of 5,000 pounds at the first class rate. This, however, was rejected, the Commission finally deciding that charges should be based on the actual weight and authorized rating, subject to a minimum charge of 4,000 pounds at the first class rate, for the entire shipment.

In no case should the charge for a less than carload shipment loaded on an open car be less than if loaded in a box car.

These rules are in some cases modified by exceptions to classifications which must be consulted in all cases where tariffs are governed by exceptions.

§ 9. Bulk Freight.

Bulk freight, such as coal, sand, gravel, grain, etc., in less than carload quantities, unless so specified in the classification, will not be accepted by carriers.

1a. Loading and Unloading Less Than Carload and Carload Freight. The rules governing the loading and unloading of carload and less than carload freight are the same in the Official, Western, and Southern classifications. The owner, or his proper representative, is required to load and unload all freight carried at carload ratings.

Heavy and bulk freight carried at less than carload ratings, that can not be handled by the regular station employees of the carrier, or at stations where the carrier's loading and unloading facilities are not sufficient to handle such freight, must be loaded and unloaded by the owner, or his proper representative.

It is the view of the Interstate Commerce Commission that carriers should advise shippers, at the time shipments are received, what is expected of them with respect to loading and unloading. This rule, like all others, must have a reasonable interpretation; if shippers should suffer under it, the Commission can take care of such cases as they may arise. It must be assumed that section crews will assist shippers wherever possible and practicable, but the Commission does not deem it in the public interest to require carriers in all cases falling under this rule to place their section crews at the disposition of shippers.

It probably occurs to you that if all freight which is actually carried at carload ratings must be thus loaded and unloaded by the shipper, many less than carload shipments must be handled, because in a previous rule you have learned that a less-than-carload quantity, the charges on which at the actual weight and the less-than-carload rate equal or exceed the charge on a minimum carload weight at the carload rate for the same commodity, would be carried at the carload rating; and consequently, this rule would apply, and the shipper would have to load and

unload. This is an entirely natural application of the rule. If you have a sufficient quantity of less than carload freight to entitle you to a carload rating, then you are entitled to the use of the entire car, and the car would be set and handled exactly the same as if it were actually loaded with the specified minimum weight or more, and you would, properly, be required to load and unload the freight. If the carrier performs this service of loading or unloading, it is entitled to make a nominal charge therefor.

The Western Classification provides a rate of charge for this service in its Rule 18. If a less than carload quantity of freight meets the requirements of the carload rating and is carried at the carload rating, and the carrier's agents load and unload the freight, a charge of $1\frac{1}{4}$ cents per 100 pounds is made for loading and a like charge for unloading.

The Canadian Classification provides:

"Freight weighing 2,000 pounds or over per piece or package; also all freight in 6th, 7th, 8th, 9th and 10th classes must be loaded and unloaded by owners."

There have been many cases before the Interstate Commerce Commission involving the right of the carrier to require owners to load and unload carload freight. In the Commercial Club of Omaha case, 19 I. C. C. Rep. 397, 401, the commission held it to be the duty of the shipper to load and unload carload freight. If the carrier is required to load or unload carload freight it may lawfully collect a reasonable charge therefor. It must not, however, discriminate by loading or unloading carload freight for one shipper and charging another shipper for a similar service. It has also been held by the commission that it is not an unreasonable rule for a carrier to require a shipper

of carload perishable freight, such as fruits in packages, to count the packages in a car.

It is also true that nearly all carriers whose tariffs are governed by the Official or Southern Classification demand and collect a certain charge for loading or unloading carload freight. Such charges to be legal, however, must be published in tariff form and filed with the Interstate Commerce Commission. See *Schultz-Hansen Co. vs. Southern Pacific Co. et al.*, 18 I. C. C. Rep. 234.

The matter of loading and unloading freight in excess of a full carload has been discussed previously in this volume under the head of "Quantity of Goods Shipped."

Individual carriers may publish exceptions to these rules providing for the loading and unloading of freight carried at carload ratings by the carriers when for their own convenience. You should examine prevailing exceptions to general classification schedules carefully with respect to such exceptions affecting your shipments.

§ 10. Demurrage and Car Service Charges.

The three interstate classifications are uniform in the assessment of demurrage and car service charges. If you order a car placed for loading or unloading, and you exceed the free time allowed therefor—which is customarily fixed at 48 hours—you will be assessed demurrage for each day of 24 hours over the 48 hours allowed consumed by you in loading or unloading the car. The demurrage charge made for such detention is usually \$1.00 per car per day for ordinary merchandise commodities. Demurrage charges, however, must be assessed in strict accord with the demurrage rules and regulations published in tariff form and on file with the Interstate Commerce Commission, or, if applicable to state traffic, with the proper state authority.

Rates shown in tariffs of carriers are subject at points of origin and destination, to the rules, regulations and charges lawfully established by the carriers covering demurrage, switching, storage and other terminal expenses, privileges or facilities; also to the rules, regulations and charges lawfully established by the initial, terminal or intermediate carriers, covering diversion, reconsignment, demurrage and other privileges or facilities afforded the shipment while in transit by the carriers.

Every shipper, including his representatives, is vitally interested in the prevention of car shortages, and all consignors and consignees should promptly load and unload freight in carloads, or in any quantity required to be loaded or unloaded by them, in order to release the cars quickly, and also to avoid the payment of demurrage car service charges.

§ 11. Mixed Carloads, Ratings on.

An unfortunate degree of diversity exists between the rules of the several interstate classifications governing the ratings of carload mixtures of articles. The Southern Classification exerts the greatest degree of restriction upon the carload mixture, the Western Classification a much less restriction, and the Official Classification the greatest liberalization of mixtures. First, let us compare the naked rules.

The Official Classification, as illustrated by its rule 10, makes the following provisions governing mixed carload ratings:

“(a) When a number of different articles (provided with L. C. L. and C. L. ratings) are shipped at one time by one consignor to one consignee and destination, in carloads, they will be charged at the C. L. rate applicable to the highest classed or rated article and at minimum

carload weight as provided in Secs. B or C of this rule (actual or estimated weight to be charged for if in excess of the minimum weight), excepting as provided in Rule 7 (a) (which applies to articles requiring two or more cars), and also excepting that if the aggregate charge upon the entire shipment is less on basis of C. L. rate and minimum carload weight (actual or estimated weight if in excess of the minimum weight) for one or more of the articles and on basis of actual or estimated weight at L. C. L. rate or rates for the other article or articles, the shipment will be charged accordingly. (See notes 1, 2, 3, 4 and 5.)

“(b) If all of the articles in the mixture take the same class or rate in carloads, the minimum carload weight will be the highest provided for any of the articles.

“(c) If the articles in the mixture are differently classified or rated in carloads, the minimum carload weight will be the highest provided for any article or articles taking the highest C. L. class or rate, provided the actual weight (or estimated weight if so classified or rated) of the article or articles taking the highest C. L. class or rate is 10 per cent. or more of the highest minimum carload weight provided for any of the articles taking the highest C. L. class or rate.

“If the articles in the mixture are differently classified or rated in carloads and the actual weight (or estimated weight if so classified or rated) of the article or articles taking the highest C. L. class or rate is less than 10 per cent. of the highest minimum carload weight provided for any of such articles, they will not be entitled to be included in the mixture, but will be separately charged at their actual or estimated weight and L. C. L. rate or rates. (See Sec. D.)

“(d) If the aggregate charge upon any mixed carload shipment of articles differently classified or rated in carloads is less on a basis of the C. L. rate for the article or

articles taking the highest class or rate, and on a basis of the highest carload minimum weight on any article in the shipment than would accrue under Rule 10 (c), the shipment will be charged at the rate for the highest classed or rated article or articles and at the highest minimum carload weight for any article contained in the mixture.

"Note 1: Rule 5 (c)—(governing excess over C. L. of freight in packages, pieces or parts)—Will not apply to mixed carload shipments of which any article is subject to Rule 27 (graduated min. C. L. wts. according to car-size) when shipped in straight carloads.

"Note 2—Packages containing articles of more than one class will be rated in accordance with the terms of Rule 15 (a) (which provides that packages containing articles of more than one class will be charged for at the rate for the highest classed article contained in the package).

"Note 3—Rule 10 will not apply upon shipments of livestock in mixed carloads. For rules governing shipments of livestock in mixed carloads, see Livestock Regulations.

"Note 4—Mixed carloads of livestock and vehicles, either self-propelling or non-self-propelling vehicles, will be subject to the minimum carload weights provided for livestock and at the highest rate provided for either livestock or vehicles.

"Note 5—On mixed carload shipments including articles packed in boxes, cases, drums or pails made of strawboard, pulp or fibreboard, etc., and which under the terms of Rule 2 (b) and (c) (specifications governing the construction of fibreboard, pulpboard or strawboard boxes and fibreboard or pulpboard pails or drums) are subject to an additional charge of twenty per cent., said additional charge will apply only to the weight of the articles in such packages and not to the entire carload shipment."

In the Western Classification, as illustrated by Rule 21

of Western Classification, the mixed carload rule is made general in the following terms:

"(a) Unless otherwise specified in the classification, where two or more articles are mentioned in one item or bracketed items, they may be forwarded in straight or mixed carloads at the rate shown, except as provided in paragraph 'b' of this rule:

"(b) Carload ratings shown in the classification for articles 'subject to Rule 21-b,' will not apply on straight carloads of the articles named. In such cases the amount of the articles so designated, which may be included, shall not exceed 33 1-3 per cent. of the total weight loaded in the mixed carload. The total weight of the articles made subject to Rule 21-b to be shown separately on bill of lading by the shipper."

In this connection attention is directed to Rule 11 of Western Classification, which provides that when rate for carload is not named in classification which is shown in L. C. L. column will govern regardless of quantity and "no two or more articles shall be shipped in mixed carloads at carload rate, unless so provided for in the classification."

The Canadian Classification rule follows:

On shipments between points east of Port Arthur, Ontario, (except petroleum, lubricating oil, benzine, gasoline, naphtha, varnish and turpentine, in barrels, unless enumerated under one distinctive heading—and live stock) the following rule will govern mixed carloads.

When a number of different articles of the same class in carloads are shipped at one time, they will be charged the rate of such class in carloads, and at the highest carload minimum weight prescribed for any of the articles in the car. When a number of different articles of more than one class in carloads are shipped at one time, the carload rate

and minimum carload weight of the article in the highest class shall apply on all the articles that make up the carload (actual or estimated weight to be charged for if in excess of the minimum weight) except as provided in the classification, excepting that if the aggregate charge upon the entire shipment is less on basis of carload weight for one or more of the articles then on basis of actual or estimated weight at less than carload rate or rates for the other article or articles, the shipment will be charged accordingly.

In the case of a mixed carload of fifth and higher class freight, having a minimum of less than 20,000 pounds, the minimum weight for the mixed car shall be 20,000 pounds at the highest class rate.

"On shipments between points west of and including Port Arthur, Ontario, and from points east of Port Arthur, Ontario, to Port Arthur, Ontario, and points west thereof and vice versa (see note):

"Articles under different distinctive headings will not be taken in mixed carloads at carload rates.

"When articles under one distinctive heading are of the same class C. L., the carload rating and highest minimum weight for such class will apply.

"When two or more articles enumerated under one distinctive heading are provided with different C. L. ratings they will be accepted in mixed carloads at the highest carload rate and the highest minimum weight applicable on any article in the shipment.

"When a shipment of one commodity, or a shipment of different articles under one distinctive heading and subject to the same carload rating equals or exceeds the minimum carload weight, then the C. L. rating for such lot will apply, and any other article not of the same class or not under the same distinctive heading, loaded in the same car

(or cars), will take the L. C. L. rate of the class to which it belongs.

"Note—The distinctive headings referred to are shown in black face type—as 'Agricultural Implements,' 'Hardware,' etc.

"The foregoing portions of this rule are subject to the conditions of Rule 3 with respect to shipments aggregating more than one carload."

The first paragraph of the mixed carload rule in the Official Classification is self-evident in its application. If by applying the carload rate and minimum weight to one of the articles in the mixture, a lower aggregate charge for the entire mixture is arrived at, then it is proper to disregard the mixture rule, and compute charges on such articles at the carload rate and carload minimum weight and add charges on remaining articles in the mixture at the actual weight (or estimated when such is provided) of each at the L. C. L. rate.

In the case of articles taking the same rating in carloads, the application of the rule to a mixture thereof is illustrated in the following example:

Assume a shipment to consist of 48,000 pounds of wheat, in sacks, 5,000 pounds of corn, in sacks, and 4,000 pounds of oats, in sacks:

Wheat, in sacks, is rated 6th class, in carloads, minimum weight, 60,000 pounds; corn, in sacks, 6th class, in carloads, minimum weight, 56,000 pounds; and oats, in sacks, 6th class, in carloads, minimum weight, 48,000 pounds. This problem comes under the application of paragraph (b) of Rule 10, which provides that if all of the articles in the mixtures take the same carload rating, which in this case is 6th class, the carload minimum weight will be the highest provided for any of the articles in the mixture, and which, in this case, is the 60,000 pound minimum provided for the wheat. So, the computation of charges under Rule

10 would be on 60,000 pounds, at 6th class rates, the total actual weight of the shipment being but 57,000 pounds.

This mixture would bear no significance as such under the provisions of the Western Classification as it provides for a specific "grain, not otherwise indexed by name," rating (which would include the mixture above set forth) of class B, C. L., minimum weight, 40,000 pounds. Hence, this shipment would move under the Western Classification at actual weight, 57,000 pounds, at class B rates.

(Note—It is essential, as a warning to the student, to state that no consideration is being given to the effect of exceptions to the classifications, in the illustrations and explanations of these rules, as the effect of such exceptions will be treated in the proper place—"the commodity adjustments" of articles in the sections of this work devoted to rates. To attempt at this point, in a study of the naked fundamentals of classification as they exist in the classification schedule, to bring in and reconcile the exceptions and commodity rate adjustments affecting the ultimate application of the classification rules, descriptions, and ratings, would be to produce only greater confusion and dissatisfaction than already exists.)

Suppose you are to ship the following quantity of seeds, between points in Official Classification territory:

20,000 pounds of clover seed, in sacks;

3,500 pounds of peach stones, in sacks; and

3,800 pounds of hemp seed, in sacks.

This shipment as a mixture would be governed by Rule 10 (C), which provides that if the articles in the mixture are differently classified or rated, the minimum carload weight will be the highest provided for any of the articles taking the highest C. L. class or rate. Hence, you must classify and rate the seeds in this shipment. You will find that clover seed, in carloads, minimum weight, 30,000

pounds, is rated 5th class; peach stones, C. L., minimum weight 36,000 pounds, is rated 6th class; and hemp seed, C. L., minimum weight, 30,000 pounds, is rated 5th class. So, our highest rated articles are the clover seed and hemp seed. But there is a further provision in the rule of which we must ascertain the effect on our shipment: The rule goes on to provide that the actual weight of the article or articles taking the highest carload rating must be 10 per cent. or more of the highest minimum carload weight provided for any of the articles taking the highest rating. Since there is no difference in the minimum provided for the clover and hemp seed, which are the highest rated articles in the mixture, the carload minimum weight to be used in this problem is the 30,000 pounds minimum of either the clover or hemp seed, because the actual weight of both the clover and hemp seed is in excess of 10 per cent of the highest carload minimum on either of them. The mixture, therefore, will be rated at 30,000 pounds at fifth class rates, the actual weight, however, being but 27,300 pounds.

This same shipment passing into the territory governed by Western Classification rules, would come into contact with two rules governing the mixture—Rule 21-B and the specific mixture provided for in the classification descriptions and ratings for “seeds.” Rule 21-B would not apply, because it is not applicable to articles not made subject to it in the classification. None of the seeds in this shipment are made subject to Rule 21-B in the classification. There is a rule in the classification which provides for a mixture of two of the seeds, the clover and the hemp, but excludes the peach stones. This rule provides a mixed carload minimum of 30,000 pounds at the highest rating provided for carload shipments of any kind of seed in the shipment. These seeds are classified as follows, in the Western Classification:

Clover seed, L. C. L., third class, C. L., Class A; C. L., minimum weight 30,000 pounds.

Hemp seed, L. C. L., fourth class, C. L., Class A; C. L., minimum weight 30,000 pounds.

Peach stones, L. C. L., fourth class, C. L., Class B.; C. L., minimum weight 36,000 pounds.

The shipment would, therefore, have to be charged for, under the provisions of the Western Classification, as 30,000 pounds, at Class A rates for the clover and hemp seed, and 3,500 pounds of peach stones at fourth class rates (actual weight).

Returning, once more, to the Official Classification; suppose the shipment of clover seed, peach stones, and hemp seed had consisted of the following quantities:

20,000 pounds of clover seed;

1,500 pounds of peach stones; and

1,800 pounds of hemp seed.

Then the second paragraph of Rule 10(C) would govern, because the quantity of the highest-rated commodities is less than 10 per cent. of their carload minimum weights (highest). So, the shipment would then be charged for at 30,000 pounds at fifth class rate for the clover seed (under the rule that the C. L. minimum weight at C. L. rate makes less charge than actual weight at L. C. L. rate), and 1,500 pounds of peach stones at L. C. L. rating of fourth class, and 1,800 pounds of hemp seed, at L. C. L. rating of third class. (Compare with Rule 10 (A).)

The effect of Notes 1, 2, 3, 4, and 5 upon the application of Rule 10 of the Official Classification should be carefully noted at all times, although there is nothing in any of these notes requiring detailed illustration.

We come now to the application of the mixture rule in the Western Classification. The first thing this classification provides is a negation of general carload mixtures to

the effect that no two or more articles shall be shipped in mixed carloads at the carload rate unless so provided for in the classification. So, unless you find provision made in the classification for a mixture, either by specific description of the mixture, or by a notation that the article or articles as subject to Rule 21-B, or find two or more articles mentioned in one item or bracketed item, no mixture is permissible under the Western Classification rules.

For an illustration of the notation of the mixing rule and the bracketed item, we will turn to "electric appliances and machinery." Under this heading we find that "arc lamps (not including globes)" and "dynamos and parts" are included in a bracketed item, and also bear the notation "subject to Rule 21-B;" so, we are at liberty to rate a mixed carload of these articles. The article made subject to Rule 21-B is "arc lamps (not including globes)," and under that rule it must not exceed $33\frac{1}{3}\%$ of the total weight loaded in the mixed carload, and its actual weight must be shown separately by the shipper on the bill of lading. The minimum weight provided for the mixture is 30,000 pounds, and the rating is Class A. Thus, the mixture could be made up of 20,000 pounds of dynamos and parts and 10,000 pounds of arc lamps (not including globes); or, if less than the C. L. minimum weight was loaded, but actual weight was enough to take C. L. rating, then the division of the mixture might be something like this: 16,000 pounds of dynamos and 8,000 pounds of arc lamps, without globes; or, if actual weight of shipment was in excess of C. L. minimum weight, for instance, 48,000 pounds, in a 50-foot car, then the division of the mixture could be 32,000 pounds dynamos and 16,000 pounds arc lamps, without globes. You understand, of course, that the amount of the included article may amount to less than one-third of the total weight of the shipment, but not in excess of one-third. So, if there were

more than two articles in the mixture, the total of the included articles must not exceed one-third. The underlying principle in these permitted mixtures is that the carload significance of one article in the mixture shall not be obliterated in a mass of smaller quantities of different articles included in the car. The rule is not an unwholesome one, but is a far greater restriction of mixing carload shipments than results from the rule in the Official Classification.

The Southern Classification carries its specifications governing mixed carload shipments in the individual items of the classification; thus:

"Beverages, not Alcoholic, Flavored or Phosphated, not otherwise indexed by name, for use without dilution or Water, Mineral or Plain, not Flavored nor Phosphated, will be taken in mixed carloads with Ginger Ale or Beer Tonic, in packages as provided for straight C. L. shipments, minimum weight 30,000 pounds, at the Class E rating or 5th Class in the absence of Class E."

Probably no one phase of transportation rate-making brings us into closer contact with commercial requirements and the necessity of giving such requirements due recognition, than mixed carload rules and ratings.

Contrary to every logical demand for mixed carload ratings, it has been the practice of classification makers in the past to eliminate and restrict mixtures. The Interstate Commerce Commission holds that the "liberalization of mixtures is in the interest of the whole public." In its investigation of Western Classification No. 51 (Opinion No. 2110, 25 I. C. C., Rep. 442), the Commission expressed its view that "artificial restrictions upon mixtures are restrictions upon the freedom of trade and commerce, with a tendency to militate against the small man. From the point of view of railway operation, mixtures result in a better utilization of car space, they lessen the demands

upon terminal properties, they decrease the expense of operation and facilitate the movement of freight."

From a transportation standpoint, not a single objection can be raised to a carload rate for mixed carload shipments. Moreover, the carload rate is fundamentally a quantity rate based upon economy in handling. It is conceded by the best authorities that this is the only factor to be considered in making a carload rate, and that this factor of economy is just as absolutely a factor in the handling of mixed carloads of two or more commodities as it is in the handling of a carload quantity of a single commodity.

And, logically, this is true, because the miscellaneous nature of the contents of the car, point of origin, point of delivery, ownership of contents, how, where, or by whom sold or bought, or whether manufactured, bought, or sold by one or more parties, whether one party or another is permitted to sell or buy, are not proper factors to consider in the making of a carload rate nor in the granting of the privilege of mixing carloads of various commodities at a carload rate. Since quantity is the absolute factor of fundamental significance in the making of the carload rate, the mixed carload being in fact a carload in quantity is entitled to a carload rate.

It is sometimes hard to distinguish when the demand for mixed carload ratings is not a veiled effort on the part of some commercial interest to seek protection from outside commercial competition. That these mixed carload ratings should not be builded upon such a theory is past all argument. To allow one class of shipper to mix one class of goods and not to allow another shipper to mix another class of articles, where both classes of goods come under the well-established rule that justifies the making of carload rates,—i. e., quantity and economy of handling,

—certainly constitutes a discrimination, but whether of an unlawful degree is dependent upon the facts in each case. If you will give careful study to the specific mixtures now provided for, especially in the Western and Southern classifications, it will become emphatically apparent that such mixtures are designed to meet the requirements of certain commercial interests and not the needs and requirements of the general run of shippers and receivers of freight.

At the time of the investigation of Western Classification No. 51, an attempt was made by shippers to have a rule incorporated into the Western Classification similar to Rule 10 of the Official Classification. It was claimed at that time that there was no substantial difference between the equipment of western roads and roads operating in Official Classification territory where Rule 10 had been in force for a long time, without any apparent hardship to the carriers, such as would result from non-intelligent or extraordinary mixtures, necessitating the use of expensive equipment for articles which should move in cheap cars.

The opponents of the rule asserted, in regard to the centralization of distribution, that there is no territory where industry and commerce are more equally and properly divided and disbursed than in Ohio, Indiana, Michigan, and those states which grew under the mixed-carload rule, but that to extend its application to the western territory would result in a concentration of distribution for the entire western country at Chicago. The attention of the Commission was directed, with emphasis, to the fact that it was not being called upon to formulate rules as it would be if it were beginning with a virgin situation, entirely untrammelled by any pre-existing conditions. On the contrary, it was dealing with a mass of rates already established and with communities which have grown up under certain con-

ditions. With the building of the West, distributors had gone westward; great business and great establishments had been erected and their foundations laid in the transportation situation which had so long prevailed. It was pointed out that disastrous effects would inevitably result to the trade of these western jobbers if the rule were put into effect. Further, from a purely economic standpoint, it was asserted that it is to the best interests of society that each community should have within it all the elements necessary to its well-being, and that consequently too great concentration of distribution was undesirable, even though such concentration might result in lower prices.

Much can be said against the universal mixture, and much weight must be given to the arguments of the opponents of the rule. You have heard "non-intelligent" and "extraordinary" mixtures spoken of, and it is important to consider for a moment just how far these effects might be carried. Under the present specific mixtures provided for the Western and Southern classifications, no different equipment is required than would be employed if you shipped each of the component parts of the specific mixtures in straight carloads. But, it is entirely possible, in fact, probable, should all restriction of mixtures be removed, that an "extraordinary" shipper would tender to the carrier a mixture, which the carrier would be required to accept, that would necessitate the putting of a commodity which ought to go into a cheap car into an expensive car. This extreme would be illustrated in case a shipper tendered a mixed carload of furniture and pig iron. The more expensive equipment required for the furniture would mean the transporting of pig iron in more expensive equipment than is contemplated in the construction of rates on pig iron, and would have the effect of lowering rates on pig iron, because the use of the more expensive

equipment would decrease the carrier's earnings from the rate.

A non-intelligent mixture which would increase the carrier's risk, due to damage to the freight, is also more than a possibility under the universal mixture rule.

A further contention is urged against the universal mixture rule in that the shipper, by loading a less quantity than the prescribed minimum, can secure the shipment at a lower cost than if the lower rate and its minimum or the less-than-carload rates were applied.

It is the expressed view of the Interstate Commerce Commission that every consolidation of individual packages, or groups of packages, into carload quantities saves not only storage and handling facilities, but also car space; and the latter factor is of vital importance in times of car shortage. "A liberalization of mixtures in the classification and the resulting consolidation of small shipments into carload lots will tend directly to a better utilization of car space and the saving of investments in railway terminals and their operation."

At the present time, dissatisfaction is felt with even as liberal a rule as Rule 10 of the Official Classification, and the prophecy is ventured even now that in the near future the rule will be reconstructed.

§ 12. Less-than-Carload Charge Not to Exceed Carload Charge.

The charge for a consignment of freight shipped at one time by one consignor to one consignee and destination, when loaded by shipper or when loaded by carrier in cases where carload rates include the loading of carload freight by carriers, on or in one car will not be greater when computed at actual or estimated weight and less-than-carload rate than on basis of carload rate and minimum carload weight; nor will the charge for a full carload when loaded

by shipper, or when loaded by carrier in case where carload rates include the loading of freight by carriers, be greater at carload rate and minimum carload weight than on basis of less-than-carload rate and actual or estimated weight.

A similar rule is contained in both the Western and Southern classifications, but is much more briefly stated. The Official Classification contains the following additional provision to govern where a shipper desires a less-than-carload shipment to be transported in a car without other freight:

"If a shipper orders a car for a less-than-carload consignment of freight that does not fill the car and instructs that no other freight be loaded therein while in transit, the shipment will be transported accordingly and will be charged at the carload rate and minimum carload weight."

The Canadian Classification rule reads:

"A smaller quantity of freight will not be charged a greater sum than a larger quantity; for instance, the charge for 150 barrels of flour, L. C. L., will not be greater than for 175 barrels, C. L. In no case will the charge for a consignment of freight shipped on the same day by one consignor to one consignee, at one destination, be greater when taken at actual or minimum weight and L. C. L. rate, than on basis of C. L. weight and rate; nor will the charge for a full carload on basis of C. L. weight and rate exceed the charge on basis of actual or minimum weight and L. C. L. rate."

The application of these rules is, of course, to be considered in connection with the rule requiring shippers to load and unload all freight carried at carload ratings.

§ 13. Salting and Refrigeration of Property in Transit.

The subject of preservation of property in transit is one

of the most important of the many special features of modern freight service. It makes possible the long-distance movement of many of the articles of food. It distributes the meats from the slaughtering and packing centers of the middle West to the consuming public throughout the United States. It brings the fruits of California to the breakfast table of the New Yorker, and makes possible the enjoyment of edibles from distant fields and climes.

So far as the classification schedules are concerned, they contain but general rules respecting such a service. Where the quantity of perishable commodities is material in amount, the individual carriers and their agents publish preservation rules and regulations governing their transportation.

It is not intended at this point to do more than indicate the general rules contained in the three interstate classifications and their application upon the subject, as a further and more exhaustive study of preservation rules will follow in another volume of this series. Many rules relating to ice and salt in car bunkers and bodies, and in packages with perishable freight, are published in individual lines, and agents' tariffs of rates and exceptions.

You should make it a point to become fully conversant with such rules and regulations, if you are shipping commodities of a perishable nature.

The rule in the Official Classification governing salt and ice shipped with property for preservation is as follows:

"Ice and salt, when required for protection of property, will not be furnished by the railroad company except as provided for in tariffs of the individual carriers."

Note.—When ice or salt is furnished by consignors in connection with either less-than-carload or carload shipments—except dressed fresh meats and packing house

products—if in the package with the freight, charges thereon will be assessed on basis of actual weight at point of origin and at the rate provided for the freight which it accompanies.

If not in package with the freight and not in car bunkers, salt and ice will be billed at the actual weight and at the rate applying on the property which they accompany; if not in excess of 500 pounds in weight at destination, freight charges will be made void by correction of delivering agent. When in excess of 500 pounds in the car at destination and not taken by consignee, ice and salt shall become the property of the carrier and no charges shall be assessed thereon. When in excess of 500 pounds in the car at destination, and taken by consignee, freight charges shall be corrected by the delivering agent to the basis of actual weight and the first class rate.

Ice loaded in car bunkers, if not removed by consignee, becomes the property of the carrier and no charge will be made. If it amounts to over 500 pounds and is removed by consignee, charges will be assessed on the ice on the basis of actual weight and first class rate.

The refrigeration rules in the Western and Southern classifications are the same, as follows:

“Section 1. Unless otherwise provided, carload ratings do not include the expense of refrigeration. Charges for refrigeration, when furnished by the carrier, will be found in the carriers' tariffs.

“Section 2. No allowance in weight will be made for ice or other preservative placed in the same package with the freight.

“Section 3. When ice or other preservative is in the bunkers of the car no charge will be made for its transportation; but if the ice is taken by the consignee, charges shall be made on actual weight of the ice in bunkers at

destination, and at carload rate applicable on the freight which it accompanies; if not taken by consignee, it becomes the property of the carrier.

"Section 4. When ice or other preservative is loaded in body of car with freight, provided the rules of the carriers do not prohibit such loading, no charge will be made for its transportation; but if taken by consignee, charges shall be made on the actual weight of the ice or other preservative in car at destination and at carload rate applicable on the freight which it accompanies; if not taken by consignee it becomes the property of the carrier;" except that the Southern Classification contains, in addition to the above rules, the following note:

"Note.—Where shipments of fresh meat, and other property, in refrigerator cars, are made, requiring re-icing in transit, bills of lading therefor must show the points at which re-icing is to be done, which information must also be given on the original and memorandum way-bills and car cards. Bills for icing must show the number of pounds placed in the car at each point, date, car number and initial."

If the ice is loaded in the bunkers of the car, no charge is made at origin point, but if more than 500 pounds remains in the bunkers at destination and is removed by the consignee, charges will be added for the actual weight of the ice taken by consignee at the meat rate. Thus, if 1,000 pounds of ice remained in the bunkers at destination upon arrival of the car, and the consignee removed it, a charge for it would be added to the charges at actual weight at the meat rate, or at the class or commodity rate applicable to the commodity carried.

The rule of the Western and Southern classifications makes no charge for ice loaded with carload shipments either in the bunkers or in the body of the car (when per-

mitted by individual carriers), but if it is removed by the consignee at destination, charges at the actual weight of the amount removed at the rate applicable to the article shipped is added to the freight charges. The same application would be made under the Southern Classification rule. If no ice is removed, the ice becomes the property of the railroad company and no charge is made for its transportation.

You must understand that unless so provided in the tariffs the carriers will not furnish ice for carload movements of freight under refrigeration.

However, the question of the duty of a common carrier who holds itself out to transport commodities of a perishable nature to furnish the necessary protection to such property in transit by equipping its cars with ice or other preservatives or protective appliances has been passed upon by the courts of the country, and the general rule laid down is that the carrier must furnish the necessary protection to perishable property in transit. This subject must necessarily be dealt with elsewhere, and its treatment will be found in a later volume.

Rules governing the handling of perishable freight are published by the individual carriers. Special rules are also published by the Western Trunk Line Committee, also in the various exceptions to classification and tariffs published by agents. Where a tariff on its title page refers to classification exceptions, such exceptions must be consulted in order to determine the legal basis on which to assess charges.

§ 14. Less-than-Carload Shipment Defined, and Less-than-Carload Rating to Apply When No Carload Rating is Provided.

When carload and less-than-carload ratings are pro-

vided for the same article, the term "less-than-carload" covers shipments in quantities less than the minimum weight provided for carloads, subject, of course, to the rule that the charge for a less-than-carload shipment shall not exceed the charge for the minimum carload weight provided for the same commodity.

When no carload rate is specified for an article, the less-than-carload rate will be charged for any quantity of the article. The rule is uniform in the classifications.

1a. **"Single Shipments Less-than-Carload" Defined.** A single shipment of less than carload freight is a lot received from one shipper, on one shipping order and bill of lading, at one station, at one time, for one consignee, and one destination.

While this is the definition of a "single shipment less than carload," it is specifically contained in the Official Classification only.

2a. **"Single Shipments" Not to be Combined.** Two or more single shipments shall not be combined and way-billed as one shipment, but must be carried as separate shipments and at not less than the established minimum charge for each shipment.

Thus, if you had two shipments of the same article: 200 pounds of grass seed for John Jones, at Chicago, Ill., and 500 pounds of grass seed for John Smith, at Chicago, Ill., each being forwarded from the same point on the same day, they could not be combined into one shipment. They must remain "single shipments less than carload." You can readily see that if this practice were permitted, if the shipments weighed enough in the aggregate to receive a carload rating, the practice would lead to deviations from published rates by manipulation of shippers in massing single shipments, less than carload, together.

The rule in the Western and Southern classifications is

to the same effect, but somewhat differently constructed. Each provides:

"Section 1. Single shipments of freight of one class will be charged for at actual or authorized estimated weight and at the rating applicable.

"Section 2. Single shipments of two or more classes of freight, when each class is in a separate package, will be charged for at actual or authorized estimated weight, and at the rating applicable to each class.

"Section 3. The charge for a package containing freight of more than one class shall be at the less-than-carload or any-quantity rating provided for the highest class freight contained in the package."

It will be noted in the Southern Classification that in defining a single shipment less-than-carload the term "from one station" qualified to mean "one loading point" is employed, where this limitation has been removed from a similar definition of carload quantity, in the Southern Classification.

§ 15. Articles of Extraordinary Value Not Accepted.

The freight service is not adapted to afford the necessary degree of safety and protection required in the transportation of articles of extraordinary value, and hence such articles are usually transported by express service.

Each of the three interstate classifications contains the following rule:

"Unless otherwise provided, the following property will not be accepted:

"Bank Bills, Coin or Currency;

"Deeds, Drafts, Notes or Valuable Papers of any kind;

"Jewelry;

"Postage or Revenue Stamps;

"Precious Metals or Articles Manufactured therefrom;

"Precious Stones."

To this list the Official Classification adds "Other Articles of Extraordinary Value."

Unless the individual carrier publishes a tariff accepting and providing rates for shipments of these articles, they must be moved by express or mail service.

§ 16. Packages Containing Articles of More Than One Class.

Care should be given to mastering the rules governing mixed shipments, both in less than carload and in carload quantities. (See Sec. 11, "Mixed Carload Shipments.")

Unless otherwise specifically provided in the classification, any package containing articles of more than one class will be charged at the rate for the highest classed article contained therein.

The Canadian Classification provides:

"Contents of all packages must be stated on bills of lading. Any package containing articles of more than one class will be charged the rate for the highest classed article contained therein."

The rule in the Official, Southern and Western classifications is uniform. Thus: If you have a package containing 100 pounds of composition billiard or pool balls and 50 pounds of ivory billiard balls, it will be rated for the highest classed article. The composition balls are rated first class in less than carload quantities in the Official Classification and the ivory balls as three times first class in the same quantity. The shipment would, therefore, be billed as 150 pounds at three times first class rate.

1a. Minimum Charge on Single Consignments of One Class. The Official Classification provides that no single package or small lot of freight of one class will be taken

at less than 100 pounds at first class rate; and in no case shall the charge for the entire consignment be less than twenty-five (25) cents.

The Western and Southern classifications modify this rule, thus:

"Unless otherwise provided, the minimum charge for a single shipment of one class, classified first class or lower, will be 100 pounds at the class or commodity rates to which it belongs. If classified higher than first class, the minimum charge will be for 100 pounds at the first class rate."

The Canadian Classification rule is:

"The minimum charge for any complete shipment of one or more classes between any two stations of one carrier will be 100 pounds at first class rate, but not less than 35 cents."

2a. Minimum Charge on Small Lots of Freight of Different Classes. The Western and Southern classifications have this rule, applicable where a single shipment contains articles in two or more classes, **in separate packages.** (For rule covering Packages Containing Articles of More Than One Class, see Section 16, page 199.)

"If the shipment contains articles in two or more classes, no one of which is classified higher than first class, the minimum charge shall be for 100 pounds of the article taking the highest rate; but if any one of the articles is classified higher than first class, the minimum charge shall be for 100 pounds at the first class rate.

"In no case shall the charge on a single shipment be less than 25 cents."

The rule in the Official Classification is as follows:

"A small lot of freight of different classes will be taken at actual weight and at the class rate for each article, pro-

vided that the aggregate charge for the shipment shall not be less than for 100 pounds at first class rate; and in no case shall the charge for the entire consignment be less than 25 cents."

In the case of single shipments, both the Western and Southern classifications apportion the minimum charge above or below first class rating. Thus, on a package weighing 50 pounds of an article rated third class or lower, the minimum charge will be for 100 pounds at the rating of the article, but in no case less than 25 cents. If, however, the article were rated higher than first class, then the minimum would be for 100 pounds at the first class rate.

To illustrate the application of this rule, assume a shipment consisting of 20 pounds of dog biscuits and 20 pounds of poultry food, moving under Western Classification. Neither of these articles is rated above first class, dog biscuits being rated third class, and poultry food, fourth class, in less than carload quantities. A total weight of the shipment would be 40 pounds, and the highest rated article contained therein, third class. The minimum charge would therefore be for 100 pounds at third class rate, but in no case less than 25 cents.

Suppose the shipment consisted of 20 pounds of freight rated third class, and 20 pounds rated double-first class (or any rating higher than first class). Charges would then be computed on each article at its actual weight and at the rate applicable to it. The minimum charge, covering the entire shipment, would be that for 100 pounds at first class rate, and in no case less than 25 cents.

The rules regarding minimum charge are oftentimes carried in exceptions to classification and in the tariffs. These rules in all cases take precedence over the rules carried in the various classifications. You should examine tariffs very carefully for minimum charge rule. Also consult exceptions where tariffs give reference thereto.

3a. Combined Articles. Sometimes two articles which are in the general customs of production separate and distinct, are combined, as in the case of a step-ladder and a chair, the purpose being to make the combination serve as a household convenience. In such a case, each of the interstate classifications provides that unless specifically classified, combined articles, such as a combination of chair and step-ladder, will be charged at the rating for the highest classed article of the combination.

This is well illustrated by the rating provided in the Official Classification for chair and step-ladder combined. A common wooden chair, set up, less than carload quantities, is rated $1\frac{1}{2}$ times first, and a step-ladder, set up, less than carload quantities, first class, and the rating provided in the Official Classification for a combined chair and step-ladder is $1\frac{1}{2}$ times first class, in less than carload quantities.

§ 17. Articles of Less Value Than Freight or Other Charges Must Be Prepaid or Charges Guaranteed.

The rules governing the prepayment or guaranty of freight and other charges on shipments of articles which at forced sale would not realize the amount of such charges are the same in effect in the three interstate classifications. Note the following rule:

"All charges must be prepaid or guaranteed on any shipment which in the judgment of the agent at point of shipment would not at forced sale realize the total amount of charges due at destination."

The Canadian Classification provides:

"Charges must be prepaid on any shipment which, in the judgment of the agent at shipping station, will not realize the amount thereof at forced sale."

1a. Guarantee of Freight and Other Charges. "Freight on which prepayment is required may, on approval of the General Freight Department of the carrier with which the freight originates, be forwarded on the guarantee of the shipper that all charges will be paid at destination. Full explanation to be made on waybills."

2a. Liability for Guarantee. "When charges due at destination are not paid on freight carried under guarantee, as provided in Secs. 1 and 2 of this rule, each carrier shall look to its immediate connection for reimbursement, the initial carrier being finally liable."

These rules are substantially similar in the three classifications. The only change in wording of the three rules is in the Western Classification, in the second section, which requires that the guarantee should be written on the face of the shipping ticket and bill of lading and full explanation thereof made. It also lodges initial discretion with the agents of the carriers to accept guarantee, but warns such agents against accepting guarantee from transient or irresponsible shippers, and directs the agents, in case of doubt, to apply to the General Freight Department for instructions.

The purpose of this rule is, of course, clearly apparent. The carrier is seeking, and properly so, to prevent loss of revenue through the transportation of worthless articles which are likely to be refused at point of destination, and which, upon a forced sale, would not bring the carrier the amount of the freight or other charges.

In the event the carrier is willing to waive prepayment of charges, it may accept a satisfactory guarantee that the charges will be paid. This guarantee should be expressed in writing, and in the case of some kinds of freight a bond

may rightfully be required, if the consignor does not wish to prepay the charges. In the case of guarantee, it should be expressed in writing on the bill of lading as follows:

"I (we)..... do hereby guarantee the full payment of the freight and other charges lawfully accrued upon the shipment described in this bill of lading, if such charges are not paid by the consignee at destination."

Notation of this guarantee should be endorsed upon the carrier's way-bill.

The remaining feature of the rule applies to the carriers as among themselves. The initial line is finally liable for the charges, accepted under guarantee, and each connection looks to its next immediate connection for reimbursement.

The Act to Regulate Commerce and the administrative regulations of the Interstate Commerce Commission require carriers to collect unpaid freight and other lawful charges, irrespective of amount, by suit, if necessary. Hence, the initial carrier would be compelled to force collection of the guaranteed charges, no matter how small the amount thereof.

§ 18. Passage of Man or Men in Charge of Perishable Property, in Carloads, in Cold Weather.

Many commodities of a highly perishable nature require a greater degree of constant attention and care in transit to protect them from adverse climatic or atmospherical conditions than may be required of the carrier to furnish as a part of its transportation service. Thus, commodities which require a certain constant heated temperature, must be accompanied by a caretaker or caretakers to insure the maintenance of conditions necessary to the proper transportation of the property. The interstate law is very strict

in its prohibitions of free transportation of either property or persons, and the rules of the general classifications governing the passage of men in charge of perishable property in cold weather are somewhat different and strictly enforced.

This rule in the Official Classification reads as follows: 1

"When vegetables and other perishable property are shipped during cold weather, and stoves and fuel are furnished by consignor, the following rules must be observed:

"One or more men must accompany shipments to care for fire (see contract with man in charge of property other than live stock, when payment of fare is, or is not, required).

"With shipments of perishable fruit and vegetables, one man to care for fire will be carried free in charge of one or more cars; no free return passage to be given.

"With shipments of perishable property other than fruit and vegetables, man or men in charge to pay full fare.

"Stoves must be carefully fastened down and braced to prevent upsetting.

"Stovepipes must be properly fastened clear of woodwork and opening or openings fitted with metal collars.

"Woodwork where exposed to heat must be protected by sheet metal.

"Coal, coke, or charcoal must be used for fuel instead of wood when possible.

"Returned stoves will be charged for at regular rates."

The Canadian Classification provides:

"When fruit, vegetables and other perishable property, in carloads, liable to damage by frost, are shipped between November 1st and April 30th, and stoves are placed in cars by shippers to protect the property from freezing, one man may be passed free with one or more cars to care for the fires upon his signing the special contract approved by the

Board of Railway Commissioners. No free or reduced return transportation will be given. The stoves, if returned, to be charged same as 'empties returned.' Agents must see that all reasonable precaution is taken against damage to the car, and receipts in all such cases must be given at 'Owner's risk of fire.' "

1a. Fare to be Charged Man or Men in Charge of Property. The Official Classification provides:

"Where the classification provides that man or men in charge of property shall pay full fare, the fare charged will be first (not second) class passenger fare."

These rules so far as they apply to the transportation of necessary caretakers of perishable freight, or other freight required to be accompanied by a caretaker or caretakers, are not uniform in the three interstate classifications.

The Southern Classification and the Western differ in this respect. The Western Classification requires shippers of freight in heated cars to provide men to care for fires, and the carriers will pass one man free in charge of from one to six cars, but no free return transportation will be given. A specific exception, however, is made in regard to persons in charge of shipments of trees or shrubbery, no free transportation being allowed.

Under the Southern Classification rules the transportation of caretakers in charge of heated cars of perishable freight is left to the government of individual carriers' tariff regulations controlling such shipments.

These rules seem self-explanatory.

Under the excepted classes enumerated in the Act to Regulate Commerce to whom interstate free or reduced transportation may lawfully be issued or given, are included necessary caretakers of live stock, poultry, milk and fruit, employes on sleeping cars, etc., but not care-

takers of engines, cars, or other equipment for future use by common carriers. As free transportation may not be allowed such caretakers, the condition under which they are transported is not a matter of tariff regulation. The Official Classification provides that a man in charge of a locomotive must pay full fare. While under this regulation it would doubtless be proper for the caretaker to secure whatever advantages he might enjoy through a purchase of a round trip ticket, mileage, or any other ticket that is offered to the general public, yet any rate that is made for a particular class, or to those entitled only to an inferior accommodation, would not be payment of a "full fare" in the sense used in said tariff regulation.

The Interstate Commerce Commission has already promulgated a number of rules and regulations governing the transportation of perishable freight, and, with the enlarged scope of its powers as now defined by the Supreme Court of the United States, it will bring this important subject into a closer regulation under the first section of the Act to Regulate Commerce.

In this connection reference is given to rulings made by the Commission with respect to the transportation caretakers.

"Caretaker accompanying gasoline motor car moving under own power. Confr. Ruling 334, Bull. No. 6;

"Caretaker accompanying fruit by express, free transportation in passenger cars. Confr. Ruling 179, Bull. No. 6;

"Caretaker accompanying property transported for Government; to expositions; persons or property transported for charity. Confr. Ruling 150, Bull. No. 6;

"Caretaker of bees in hives, passes to. Confr. Ruling 112, Bull. No. 6;

"Caretaker going on passes intending to return with fruit. Confr. Ruling 1, Bull. No. 6;

"Caretaker with milk, no free transportation prior to June 18, 1910, but since that date, under the amendatory act, may be carried free. Confr. Ruling 21, Bull. No. 6;

"Caretaker, passes only for round trip or trip, not annual. Confr. Ruling 37, Bull. No. 6;

"Caretaker, refrigeration included in rates, no passes to shippers accompanying freight. Confr. Ruling 171, Bull. No. 6; and

"Caretaker return to point of origin only over original route. Confr. Ruling 189, Bull. No. 6."

These rulings in full will be found in the volume on "The Interstate Commerce Law."

§ 19. Freight Transported in Heated Cars.

In citing the rule of the Official Classification governing the passage of caretakers of perishable fruit and vegetables, and other freight requiring protection against cold weather, we included the portion of the rule regulating the manner in which the heating apparatus must be installed and operated, and the charge to be made for the return of stoves so used. It will not be necessary to repeat the rule.

The Western Classification rule is as follows:

"Section 1. Ratings provided for freight in carloads do not obligate the carrier to furnish heated cars nor to maintain heat in cars for freight requiring such protection, except under conditions which the carrier's tariffs provide.

"Section 2. Stoves, used in cars, and the fittings and fuel therefor, must be furnished by shipper, and the fuel must consist of coal, coke, or charcoal, unless otherwise permitted by regulations of individual carriers.

"Stoves must be securely fastened and braced.

"Stove pipes must run through a board, protected with metal collar, securely fastened at one side of the doorway of the car, and secured clear of all woodwork, and fitted with an elbow and pipe projecting above the car not more than 24 inches.

"Woodwork, where exposed to heat, must be protected by sheet metal.

"Shippers must provide men to care for fires. Carriers will pass one man free in charge of one to six cars for this purpose, no return transportation to be given. Transportation will not be given to persons in charge of trees or shrubbery.

"No charge will be made for the transportation of stoves, fittings or fuel in the car with the freight requiring such protection.

"Stoves, stove fittings and lumber used in fitting up cars when reshipped by consignee to consignor at point of origin of the freight will be returned at one-half ($\frac{1}{2}$) fourth-class rate."

The rule in the Southern Classification governing the heating of cars for carload shipments of perishable freight requiring protection against cold is the same as the rule in the Western, except as to the transportation of caretakers, and the return of stoves and fittings used in heating the car. The transportation of caretakers is governed by the individual carrier's tariff regulations, and no provision is made for the return of stoves and fittings at reduced rate as in the Western Classification, this being left to the rules of the individual carriers.

Both the Western and Southern classifications provide that less than carload quantities of perishable freight requiring protection against heat or cold, will be accepted only under the conditions provided for in the individual

carrier's tariffs. These rules are slightly different in their wording. The Western rule provides:

"Less-than-carload or any quantity ratings will not apply on freight requiring protection against heat or cold and carried under refrigeration, or in refrigerator, or lined cars, heater or heated cars, or cars otherwise specially equipped for such protection, except under the conditions which the carrier's tariffs provide."

The Southern Classification rule is stated thus:

"Less than carload or any quantity ratings applying on freight requiring protection against heat or cold, do not obligate the carrier to provide specially equipped cars nor furnish heat, unless the carrier's tariffs so provide."

These rules have to do with one of the most important features of modern transportation—the handling and transportation of perishable property. Not only does perishable freight form a large part of modern traffic, but its demands as to service and equipment are extreme. It is entirely beyond the purpose and scope of this comparison and interpretation of the several classification rules to enter into a discussion of the duties and liabilities of the shipper and carrier under these exacting demands. The general law of the country, aside from the administration of the Act to Regulate Commerce, has in an abstract way fixed the carrier's liability in the acceptance and transportation of perishable property.

Perishable freight comprises articles offered for transportation of such a nature that, because of their inherent qualities, they rapidly decompose or decay, and in so doing undergo chemical changes of quality and form which render them unsuitable for use and of little or no value. The essential characteristic of such articles is that they are inherently liable to deterioration and decay.

Such articles as fruits, vegetables, fresh meats, fresh

fish, dressed poultry, dairy products, eggs, food stuffs and malt extracts are commonly recognized in transportation circles as perishable in their nature.

With this definition of perishable freight and the foregoing reference and comparison of the provisions of the three interstate classifications relating to its acceptance and transportation, your attention will be directed to a comprehensive study of the laws and regulations affecting the transportation of perishable freights in the volume on "Special Freight Services and Privileges."

Exceptions to classifications and rules carried in tariffs in some cases change classification rules regarding the handling of perishable property and set aside rules carried in the classification.

§ 20. Allowances for Dunnage, Car Fittings, Etc., Furnished by Shipper.

Many articles require the use of racks, standards, strips, braces, or supports; or, in the case of sifting commodities, such as grain, sand, etc., require doors fitted to closed cars when shipped in bulk, for their protection in transportation. Each of the interstate classifications makes an allowance of 500 pounds in weight for such fittings, dunnage, etc., but the rules are slightly different in the description of conditions under which the allowances are made. The Official Classification provides:

"Unless otherwise provided, temporary blocking, racks, standards, strips, stakes or similar bracing, dunnage or supports, not constituting a part of the car, when required to protect and make properly secure carload freight for shipment, must be furnished and installed by the shipper and at his expense. No allowance will be made for the weight of such material except as provided for in Rule 19-B.

"Unless otherwise provided, bulkheads, partitions, temporary doors or door protection—when required to protect or make bulk freight secure for shipment—must be furnished and installed by the shipper and at his expense. No allowance will be made for the weight of such material except as provided for in Rule 19-B.

"Note.—Blocking or bracing material must not be nailed, bolted or screwed to the floor, sides or ends of refrigerator or insulated cars.

"Rule 19-B. An allowance of 500 lbs. in weight per car will be made for racks, standards, strips, braces or supports used by shippers on flat or gondola cars when loaded with carload shipments of lumber and forest products requiring their use for safe transportation, except that in no case shall less than the established minimum carload weight be charged. If the weight of the racks, standards, strips, braces or supports is more than 500 lbs. per car the excess will be charged at the rate applicable to the lading of the car.

"An allowance of the actual weight, but not more than 500 lbs. per car will be made for racks, standards, strips, braces or supports used by shippers on flat or gondola cars when such material is required for safe transportation in the loading of carload freight other than lumber and forest products, provided that in no case shall less than the established minimum carloads be charged, and also provided that shipper must specify on shipping order the actual weight of the material used; otherwise no allowance will be made. If the weight of the racks, standards, strips, braces or supports is more than 500 lbs. per car the excess will be charged at the rate applicable to the lading of the car.

"No allowance in weight will be made for dunnage, blocking, or bracing material used by the shippers for part

carloads in excess of full carload or carloads which are entitled under the provisions of Rule 5 (C) to the carload rate.

"Note.—Blocking or bracing material must not be nailed, bolted, or screwed to the floor, sides or ends of refrigerator or insulated cars.

"No allowance can be made for dunnage that will reduce the weight of the shipment below the minimum prescribed by the classification and under no circumstances are the charges after deducting allowances for dunnage to be less than at the established rate and minimum weight provided for the shipment."

The Western Classification provides:

"An allowance, not to exceed 500 pounds, will be made for temporary blocking, racks, standards, strips, stakes, or similar bracing, dunnage or supports—not constituting a part of the car—when required to protect, and make secure for shipment, property on flat or gondola cars upon which carload ratings are applied. Such material must be furnished and installed by the shipper and at his expense.

"Carriers will not be responsible for the removal or damage to such bracing, dunnage, or supports, and it will be optional with them to remove or return to shippers if not taken by consignees."

"Temporary lining or flooring, when required, must be furnished and installed in cars by shipper, and at his expense.

"No charge will be made for the transportation of such material in the car with the freight it protects.

"Temporary linings or flooring, when reshipped by consignee to the original consignor at point of origin of the freight, will be returned at one-half ($\frac{1}{2}$) fourth-class rate."

The Southern Classification provides:

"When required to protect and make secure for shipment property upon which carload ratings are applied, temporary blocking, racks, standards, strips, stakes, or similar bracing, dunnage, or supports, not constituting part of the car, must be furnished and installed by shipper, and at his expense, and the weight included with that of the property shipped. Under the Southern Classification, the shipper must furnish the necessary dunnage for the protection of the property. Charges on dunnage so used are assessed for its actual weight, on the basis of the carload rate on the shipment so protected.

"Temporary lining or flooring, when required, must be furnished and installed in cars by the shipper and at his expense.

"No charge will be made for the transportation of such material in the car with the freight it protects."

The rule of the Official Classification is divisible into three applications: (a) Allowance of 500 pounds in weight is made for racks, standards, supports, etc., used in connection with lumber shipments, loaded on flat or gondola cars; (b) allowance of actual weight, not exceeding 500 pounds, of racks, standards, supports, etc., in connection with shipments of commodities other than lumber and forest products, when loaded on flat or gondola cars, with the shipper required to make specific notation of weight of such racks, etc., on shipping order; and (c) no allowance in weight will be made for dunnage, blocking, or bracing materials used by shippers for part carloads in excess of full carload or carloads, which are entitled, under the provisions of Rule 5-C, to the carload rate. Under these rules, a shipment loaded on a flat or gondola car, is entitled to an allowance of 500 pounds for racks, standards, strips, braces or supports used to protect the shipment.

These allowances apply only to quantities of freight for which carload ratings are provided in the classification, and the material used for thus protecting freight must be furnished by the shipper and at his own expense.

The rules in the Western and Southern classifications are practically identical. The Official Classification, however, makes more specific and elaborate applications of its rule.

If you are a shipper of lumber and forest products, in carloads, and use flat or gondola cars for your shipments, you are allowed, under the official rule, 500 pounds in weight per car for the racks, standards, strips, braces or supports, necessary for the safe transportation of your shipment, provided the deduction of such allowance in weight does not reduce the weight of the shipment below the established minimum carload weight provided for the commodity.

Suppose you have a flat car loaded with 40,000 pounds of lumber, subject to carload ratings under the Official Classification, and the weight of the racks and strips necessary to hold the load in place is 750 pounds. The minimum carload weight provided by the classification for lumber, N. O. S., is 34,000 pounds, so the deduction of 500 pounds (all that is allowed out of the 750 actual weight) for racks, etc., would not reduce the weight of the shipment below the established minimum carload weight. Since but 500 pounds in weight is allowed, the excess (250 pounds) of the actual weight of the racks, etc., used, must be included as a part of, and at the rate applicable to, the shipment. Hence, from the weight of 40,750 pounds (weight of the lumber 40,000 pounds and weight of the racks, etc., used, 750 pounds), you would deduct 500 pounds, and the carload lumber rate would apply on a total weight of 40,250 pounds.

On the other hand, suppose the weight of the standards and strips used in shipping the carload of lumber was exactly 500 pounds, but the actual weight of the lumber was but 33,800 pounds, instead of the required 34,000 pounds minimum, then only that part of the 500 pounds weight of racks, etc., would be allowed which would bring the weight of the shipment up to the established minimum carload weight of 34,000 pounds; or, the allowance would only be 300 pounds. Your rule, therefore, is that the prescribed minimum carload weight must govern as the basis of computing charges, despite any allowance authorized.

If you are a shipper of articles other than lumber or forest products, but which, when loaded upon flat or gondola cars, subject to carload ratings in the Official Classification, require the use of racks, standards, supports, etc., for protection of the freight in transit, you must specify on your shipping order the actual weight of the racks, standards, etc., used; otherwise, no allowance will be made. You are entitled to the actual weight of such racks, standards, etc., not exceeding 500 pounds, but if the weight of such racks, etc., amounts to more than 500 pounds, the excess weight must be included in the weight of the shipment and charged for at the rate applicable to the freight for the protection of which they are used.

Thus: If a commodity, the carload rating on which is based upon a 20,000-pound minimum carload weight, requires 600 pounds of standards and supports, to insure its safe transportation on a flat or gondola car, you must specify in your shipping order the exact weight of such standards or supports—i. e., 600 pounds, if that is the weight—and an allowance of 500 pounds in weight will be made, or, of the actual weight of such standards, etc.,

used, if less than 500 pounds. The maximum allowance is 500 pounds per car in each case.

In the 30th I. C. C. reports, pages 543, 544, the following statement is made: "In various ways carriers throughout the country in their tariffs provide for transportation free, or with appropriate allowance, of ice and stoves and linings with perishable freight; hay, straw, and sawdust with beer, eggs, vegetables, and fruit; salt with salt meats; and feed and attendants with live stock, poultry, and other like articles. These, however, which are mainly in the nature of measures looking to the preservation of the freight, are the outgrowth of peculiar conditions and are not to be identified with the issues now before us. We have uniformly approved of open-car allowances for standards, stakes, strips, blocks, and braces, and in several cases have held 500 pounds to be a reasonable allowance."

In the case of part carloads in excess of full carloads, no allowance is made for wooden dunnage, blocking, etc., used in securing the freight, because such excess shipments move at the actual weight and the carload rate.

Dunnage allowances, at present, are confined to shipments made on flat or gondola cars. The classifications, in the past, have permitted dunnage allowances on shipments made in box, stock, ventilated, and refrigerator cars. The carriers contend such allowances encourage inferior, unsafe packing, adds to the transportation risk, increases the carrier's cost, and give preference to shippers loading their goods in bulk, braced, stayed, or supported in cars, as against those tendering goods packed in safe and secure containers which result in maximum protection and minimum transportation risk and expense.

The Western Classification alone omits any provision that the deduction of allowances shall not make the charge less than for the established minimum carload weight, but such is the actual application of the rule, how-

ever, in this classification. In no instance is the established minimum carload weight to be waived because of the deduction of allowances in weight for any of the specified fittings mentioned in the foregoing rules.

You understand, of course, that all material and labor connected with the proper installation of these fittings must be furnished by the shipper at his expense.

The subject of allowances to shippers, be it either in weight deductions or by pecuniary allowances for facilities furnished by them, is considered by the Interstate Commerce Commission to represent a practice fraught with many dangers. Allowances are made for facilities and services furnished by shippers which are essentially a part of the transportation service which should be furnished by the carrier, and the reduction in charges resulting therefrom is a departure from published rates, which the Commission at all times views with alarm.

The rules as we have set them forth from the interstate classifications are wholly general in their application, but in the tariffs of the individual carriers many specific allowances are provided for.

The Commission requires all allowances to be made shippers for facilities furnished by them to be published in tariff form, under its general rule that an allowance purporting to be made under Section 15 (refers to Act to Regulate Commerce) must be regarded as a concession from the rate, unless duly published by the carrier in its tariffs and thus made available to all shippers furnishing a like facility or performing a like service of transportation in connection with their traffic. Conf. Ruling No. 360, Bull. No. 6, May 17, 1912.

Both the legal and traffic features of allowances to shippers for facilities or service furnished by them, will be dealt with in detail in another volume of this series.

Also see in this connection the following conference rulings of the Interstate Commerce Commission:

"Allowance for floor racks in refrigerator cars, furnished by shippers. Conf. Ruling No. 292, Bull. No. 6;

"Allowance for grain doors, maximum per door and per car must be published. Conf. Rulings Nos. 78, 132, 267, Bull. No. 6;

"Allowances must be published and non-discriminatory. Conf. Ruling No. 360, Bull. No. 6;

"Allowance to shipper for fitting cars, must be in tariff. Conf. Rulings Nos. 19, 78, 132, 292, Bull. No. 6."

§ 21. Acceptance and Loading of Freight Liable to Impregnate Cars or Other Freight.

Such freight as green hides, fertilizers, different kinds of refuse, oils, chemicals, etc., are liable to impregnate and damage not only other freight which may be loaded in the same car with them, but to injure the equipment itself. It must be apparent that you can not safely ship oil in barrels in a car loaded with miscellaneous package freight—say, for instance, groceries, or dairy products.

The Official, Western and Southern classifications contain identical rules governing the acceptance and transportation of shipments of contaminating and injurious freight, as follows:

"The ratings in this classification do not obligate the carriers to receive freight liable to impregnate or otherwise damage equipment or other freight.

"Such freight may be accepted and be receipted for 'Subject to delay for suitable equipment'; or may, for lack of suitable equipment, be refused."

The Canadian Classification provides:

"The transportation companies shall have the right to refuse any freight offered for shipment which is likely to damage cars or other freight."

It is customary for carriers to apply these rules by setting apart certain days in the week when they will furnish equipment in which such contaminating or otherwise injurious freight will be accepted and transported. Thus: Shipments of oil, in barrels, will be accepted by a carrier to be transported only on Tuesdays and Fridays, in equipment provided on those days, in accordance with its tariffs.

§ 22. Differences in Classification Ratings of Articles According to Degree of Manufacture.

Some articles are subject to transportation during the respective processes of manufacture. Thus: A wooden handle in its preliminary stage of manufacture is sawed, hewn, planed, or bent. It is then considered, for transportation purposes, to be "in the rough."

It may then be transported to another manufacturer for a further process of manufacture, or for completion. This stage includes the beginning of the actual manufacturing process, and may include one coat of priming, but not be painted or varnished. The article is then said to be "in the white." It may then be transported in this condition to another point where its manufacture is completed, and as soon as the process of manufacture passes the stages described as "in the rough" and "in the white," the article is considered to be "finished." Under a principle followed in the making of freight rates which gives recognition to the necessity for low transportation charges on the inbound raw material of the manufacturer out of which he produces his finished goods, the degree of manufacture of an article as defined by the terms "in the rough," "in the white," or "finished," has established dividing lines in the ratings provided in the classifications.

The rules of the Official, Western, Southern and Cana-

dian classifications are the same with respect to their definitions of "in the rough," "in the white," and "finished," except in one particular—i. e., the definition of the term "in the rough" in the Official Classification excludes the article when "bent"; whereas, in both the Western and Southern classifications an article is "in the rough" when sawed, hewn, planed, or bent.

The rules are as follows:

"The classification of articles 'in the rough' applies to such articles when sawed, hewn, planed, or bent (not bent under the ratings of the Official Classification), and before any further manufacturing process has begun.

"The classification 'in the white' applies after the manufacturing process has begun (and may include one coat of priming), but not when the article has been painted or varnished.

"The classification 'finished' applies to the article after it has passed the stage of manufacture covered by the above sections of the rule."

The Southern Classification rule continues with further definition of certain packing terms, as follows:

"The term 'packed,' when no container is specified, means that the article must be enclosed in a wooden box, or a wooden or metal barrel, crate or similar container. (Reference is made to Southern Classification Rule No. 9.)

"The term 'packed in' means that the article in connection with which this term is specified must be protected within the container named by or with partitions, wrappers, excelsior, straw, or other packing material, that will afford adequate protection against breakage.

"Articles packed in fibreboard, pulpboard or strawboard containers are subject to the provisions of Rule 9.

"Specifications for articles 'in earthenware' will also apply on such articles 'in stoneware.'"

The application of these rules sometimes causes confusion on account of the slight difference in the Official rule and exceptions made to the rule itself by the classification descriptions. For example: In the Official Classification under the classification of "Furniture Parts and Stock and Stuff," wooden "Chair Stock" in the white is rated third-class, in bundles or crates, and wooden "Chair Stock" in the rough is rated fourth-class. If the chair stock includes any "bent" parts or stock, otherwise "in the rough," it would pass out of the "in the rough" rating and be rated "in the white," whereas, were the movement to continue under either the Western or the Southern classification ratings, it would fall back into the "in the rough" rating.

For an exception to the Official rule excluding an article "bent" from the "in the rough" rating, note that the rating in the Official Classification specified for "felloes" includes in the classification description the condition of "bent," the rating provided for "felloes" being "in the rough, sawed, or bent."

See also "Packing Requirements and Rules," this volume, Chap. VIII., Sects. 6 to 10, inclusive.

§ 23. Parts or Pieces Constituting One or More Complete Articles.

Where articles may be taken apart, or knocked down, or separated into component parts, and while packed in separate packages, are tendered to the carrier as one shipment—i. e., from one consignor, to one consignee, at one destination, and under one bill of lading—the aggregate weight of the shipment of segregated parts or pieces will be charged for at the rating provided for the complete article.

The rule in the three interstate classifications is the same, and reads practically as follows:

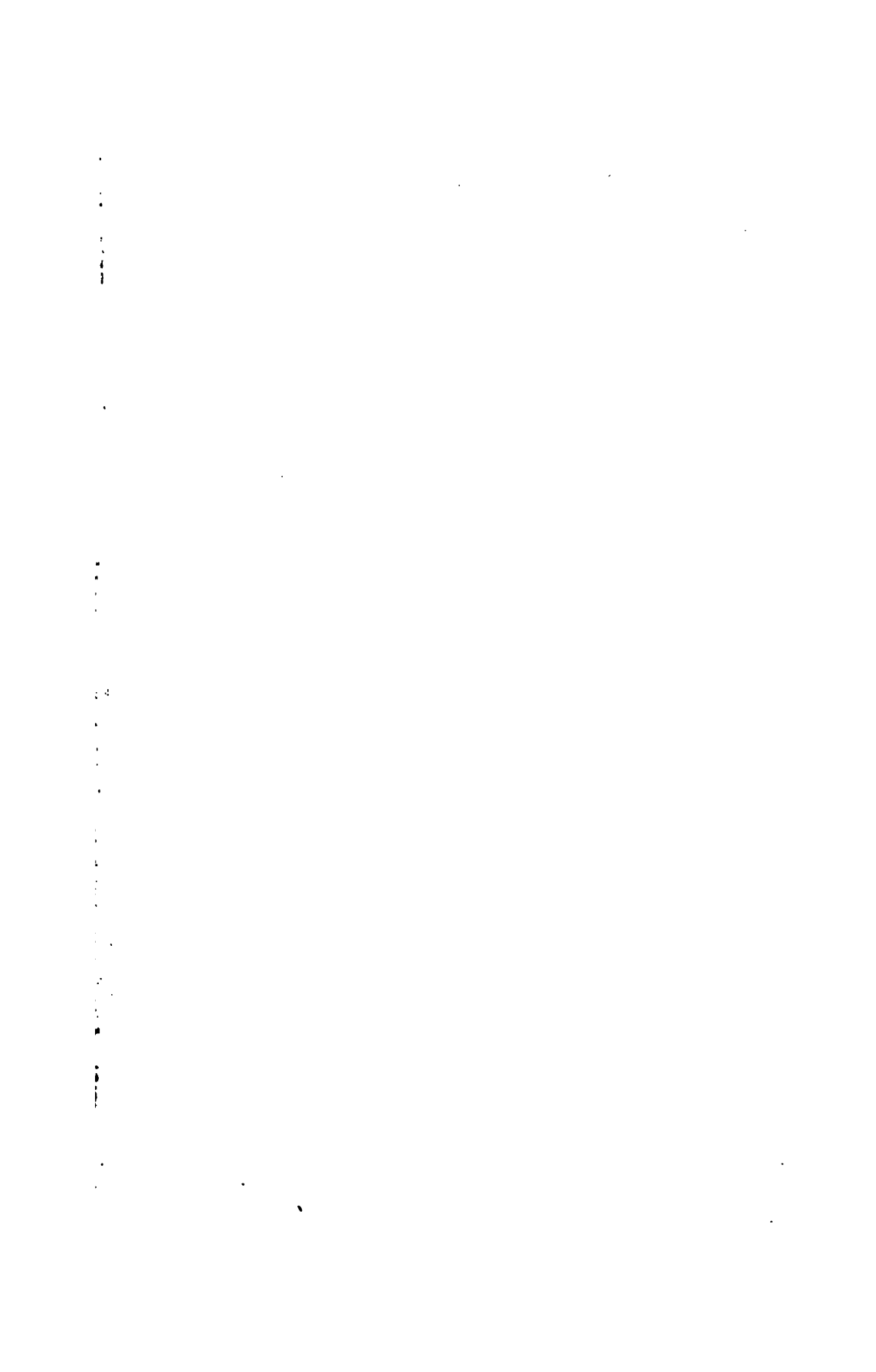
Parts or pieces, constituting a complete article, received as one shipment on one bill of lading, will be charged at the rating provided for the complete article.

The Canadian Classification provides:

"Parts or pieces constituting one or more articles offered for shipment at one time by one consignor to one consignee, will be rated at the class provided for the complete article, whether S. U. or K. D., as the case may be."

Thus: A tank wagon, used for spraying or sprinkling purposes, is rated, set up, as double-first-class, in Official Classification. Knocked down, or taken apart, and shipped as one shipment, consisting of one tank for spraying or sprinkling wagon (lawn), without gear, one tank wagon gear, K. D., one pair tank wagon shafts, wrapped, and four tank wagon wheels, crated flat, the aggregate weight of the several separated parts will be rated at the same rating as applies on the complete article.

In this instance the tank wagon being knocked down would be rated as first class in accordance with the classification, the intent of the rule being to apply the rating as provided for the complete article in whatever form shipped which would prohibit classifying and rating of the various parts separately.



CHAPTER XI.

INTERPRETATION AND COMPARISON OF CLASSIFICATION RULES—Continued.

- § 24. Analogous Ratings of Articles Not Classified.
- § 25. Receipts or Bills of Lading for Lumber and Other Forest Products, in Carloads.
- § 26. Rate Tables Provided by Rules Nos. 25, 26, and 28 of Official Classification.
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- § 32. Charges Not To Be Advanced to Shippers.
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- § 45. Loading Cars in Excess of Safe Carrying Capacity.
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- § 47. United States Government Regulation of Steamboat Service.

1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100.

CHAPTER XI.

INTERPRETATION AND COMPARISON OF CLASSIFICATION RULES—Continued.

§ 24. Analogous Ratings of Articles Not Classified.

The Official and Southern classifications provide a formal rule establishing analogous ratings of articles not classified. The Western Classification carries no such formal provision in its rules; nevertheless, the rule would be the same in practice under the Western Classification where an article is not classified in some specific manner.

The Official rule reads:

“When articles which are not specifically provided for or included under the heading of articles ‘N. O. S.’ (Not Otherwise Specified), are offered for transportation, agents may bill same at the ratings provided for analogous articles, notation to that effect to be made on way bills, and will at once report the facts to their General Freight Department in order that specific classification may be provided therefor.”

And the Southern Classification rule is worded but slightly differently.

“When articles not specifically provided for, nor embraced in the classification as articles ‘N. O. S.’ (Not Otherwise Specified), or ‘Not Otherwise Indexed by Name’, are offered for transportation, agents at point of shipment may use the classification applying on articles which, in their judgment, are analogous; but in such cases agents must report the facts to the proper officer of the

Freight Department in order that, if necessary, specific classification may be provided."

The Canadian Classification provides:

"(a) When articles which are not specifically provided for or included under the heading of articles 'N. O. S.' are offered for transportation, agents may bill same at the ratings provided for analogous articles (notation to that effect to be made on way bills), and will at once report the facts to their General Freight Department, in order that specific classification may be provided therefor.

"(b) When articles are offered for transportation as 'Merchandise' or 'Sundries,' shippers must be required to give full description of contents of packages."

You will find, upon examination of the classifications, that many articles are classified under a description qualified as "N. O. S."—meaning that the article is not otherwise specified in the classification—or "N. O. I. B. N."—meaning that the article thus qualified is not otherwise indexed by name in the classification. It is customary in the construction of these classifications to make a general parent-article or parent-class rating in this way, while at the same time articles of like character and naturally included in the broad general description of such parent-article or parent-class will be given an individually described rating in some other part of the classification, or even in connection with the general or parent article or class of articles. Thus: "Machinery and Machines, Not Otherwise Indexed by Name," is the general or parent-class description put at the end of the ratings fixed by the Official Classification on the many specifically described and rated articles carried under the heading of "Machinery and Machines." Again, "Dry Goods, N. O. S.," includes the numerous unclassified articles making up the general dry goods line, excluding only those articles of "dry goods"

which are segregated and given a specific description and rating in the classification items. Linen bed sheets, for instance, are not so classified specifically, but would take the "Dry Goods, N. O. S." rating.

The only time that an article may be classified by analogy is when it is neither covered by a specific description and rating nor included in the "N. O. S." or "N. O. I. B. N." rating. Where an article is rated by analogy, such fact should be noted on the way bill by the carrier's agent, whose duty it is immediately to report the unclassified article to the General Freight Department of his line, so that the article may be properly classified in the future.

You should also make application for a proper rating of such an unclassified article to the Classification Committee under whose jurisdiction you wish to transport it.

§ 25. Receipts or Bills of Lading for Lumber and Other Forest Products, in Carloads.

The Official Classification alone provides a rule that "railroad agents at forwarding points will not tally shipments of logs, lumber, shingles, shooks, or other forest products in bulk or in bundles, in carloads, nor issue shipping receipts or bills of lading therefor which specify the number of pieces, bundles or feet said to be contained in the shipment, except that shipping receipts or bills of lading for export shipments may show the number of pieces, bundles or feet said to be contained in the shipment, provided the notation 'Shipper's load and count,' or 'More or less,' also appears thereon;" and that "all shipments of logs and lumber, for export, are to be weighed at the American seaboard, and through freight shall be paid on the weights so ascertained, except that inland freight charges shall be paid on basis of the carload minimum

weight (actual weight to be charged for when in excess of the minimum) provided by the Classification or Commodity Tariff under which the shipment is forwarded to the seaboard; but in case the property is destined to a port where weighing is an incident of disposal of cargo, the custom of the port on this question shall govern as to the ocean charges only, on the ascertained outturn weight thereof."

These two rules are self-explanatory.

§ 26. Rate Tables Provided by Rules Nos. 25, 26 and 28, of Official Classification.

By the inclusion of three rules, known as Rules Nos. 25, 26 and 28, the Official Classification actually comprises nine classes, instead of six. These are designated as follows:

CLASSES.

| First, Second
Rule 25 | Third, Fourth
Rule 26 | Fifth, Sixth
Rule 28 |
|---|--------------------------|-------------------------|
| 15 per cent below 20 per cent below Specified amounts to
2nd class, but not 3rd class, but not be added to 4th
less than 3rd class. less than 4th class. class. | | |

Rules Nos. 25, 26 and 28, of the Official Classification now in effect are as follows:

RULE 25.

Articles subject to this rule will be rated in L. C. L. or C. L., according as they are noted in the L. C. L. or C. L. columns of the Classification, at fifteen (15) per cent below second-class rates, but not lower than third class rates (see Note) subject to all other rules and conditions of the Classification.

Note: In computing the above percentage reduction, the following will govern: If the fraction is less than one half ($\frac{1}{2}$) mill, drop the fraction, but if the fraction is $\frac{1}{2}$ mill or more increase the mill to a full mill; illustration, if the rate figures 10.74 cents, make it 10.7 cents, but if the rate figures 10.75 cents, make it 10.8 cents, except as otherwise provided in the tariffs of the individual carriers.

RULE 26.

Articles subject to this rule will be rated L. C. L. or C. L., according as they are noted in the L. C. L. or C. L. columns of the Classification, at twenty (20) per cent below third-class rates, but not lower than fourth-class rates (see Note), subject to all other rules and conditions of the Classification.

Note: In computing the above percentage reduction, the following will govern: If the fraction is less than one-half ($\frac{1}{2}$) mill drop the fraction, but if the fraction is one-half ($\frac{1}{2}$) mill or more increase the fraction to a full mill; illustration, if the rate figures 10.74 cents make it 10.7 cents, if the rate figures 10.75 cents make it 10.8 cents, except as otherwise provided in the tariffs of the individual carriers.

TABLE OF RATES TO BE USED IN CONNECTION WITH RULE 26.

| When the difference between the 3d and 4th class rate is (Cents) | The amount to be added to the 4th class rate will be (Cents) | When the difference between the 3d and 4th class rate is (Cents) | The amount to be added to the 4th class rate will be (Cents) | When the difference between the 3d and 4th class rate is (Cents) | The amount to be added to the 4th class rate will be (Cents) | When the difference between the 3d and 4th class rate is (Cents) | The amount to be added to the 4th class rate will be (Cents) |
|--|--|--|--|--|--|--|--|
| .5 | .2 | 4.2 | 1.5 | 7.9 | 2.8 | 11.6 | 4.1 |
| .6 | .2 | 4.3 | 1.5 | 8.0 | 2.8 | 11.7 | 4.1 |
| .7 | .2 | 4.4 | 1.5 | 8.1 | 2.8 | 11.8 | 4.1 |
| .8 | .3 | 4.5 | 1.6 | 8.2 | 2.9 | 11.9 | 4.2 |
| .9 | .3 | 4.6 | 1.6 | 8.3 | 2.9 | 12.0 | 4.2 |
| 1.0 | .4 | 4.7 | 1.6 | 8.4 | 2.9 | 12.1 | 4.2 |
| 1.1 | .4 | 4.8 | 1.7 | 8.5 | 3.0 | 12.2 | 4.3 |
| 1.2 | .4 | 4.9 | 1.7 | 8.6 | 3.0 | 12.3 | 4.3 |
| 1.3 | .5 | 5.0 | 1.8 | 8.7 | 3.0 | 12.4 | 4.3 |
| 1.4 | .5 | 5.1 | 1.8 | 8.8 | 3.1 | 12.5 | 4.4 |
| 1.5 | .5 | 5.2 | 1.8 | 8.9 | 3.1 | 12.6 | 4.4 |
| 1.6 | .6 | 5.3 | 1.9 | 9.0 | 3.2 | 12.7 | 4.4 |
| 1.7 | .6 | 5.4 | 1.9 | 9.1 | 3.2 | 12.8 | 4.5 |

While these rules are employed in the classification to denote ratings, their application in reality operates as a method of constructing rates.

Rule No. 25. The application of these rules to denote ratings of articles in the classification is illustrated by the following excerpt from the Official Classification:

Glassware:

Globes or Shades, Lamp, Glass, Not LCL. CL.

Otherwise Indexed by Name:

Packed in bbls. or boxes..... 1

In packages named, C. L. min. wt.

12,000 pounds (subject to Rule 27) R25

This means that glass lamp shades or globes, in carload lots, take the rate resulting from the application of Rule No. 25, which is a percentage reduction of the rate resulting from the application of a second-class rating. The reference to Rule No. 27 governs premium minimum carload weights graduated according to the size of car used. (See—"Interpretation and Comparison of Classification Rules," this volume, Chap. X., Sect. 6, "Minimum Carload Weights.")

The application of a rating denoted by R25 is as follows: Suppose you wish to ship a carload quantity of glass lamp shades or globes, from New York to Chicago. The Official Classification establishes R25 as the rating. Rule 25 provides that articles subject thereto will be rated at fifteen per cent. below second class rates, but not lower than third-class rates. The rule provides the figures to be used, thus: If the second-class rate is 65 cents, the amount of the 15 per cent. reduction will be 9.75, the net reduction to be made 9.8 cents, and the net rate resulting, 55.2 cents.

Prior to the 5% advance in rates in the Official Classification Territory, the classification contained tables showing the actual deduction to be used in connection with Rules 25 and 26, but the amended rules make no such provision and, as a consequence, the actual percentage deductions must be made, taking into consideration the specific rules for the disposition of fractions. The fraction rule included in the note to Rule 25 that one half cent or less shall be dropped, etc., always applies, unless otherwise provided in the tariffs of the individual carriers.

In computing rates according to Rule 25 in the Official Classification, the rate arrived at by the 15% deduction from the second class rate must, in no case, be lower than the third class rate.

Suppose a case of this character occurred: A shipment

rated Rule 25 moves between two points for which the rates are as follows:

| | | | | | | |
|---------------|---|----|---|---|---|---|
| Classes | 1 | 2 | 3 | 4 | 5 | 6 |
| Rates | 8 | 6½ | 6 | 5 | 4 | 3 |

The net rate resulting from the application of the 15 per cent reduction provided by Rule 25 would make the net reduced rate 5½ cents per 100 pounds, which would be ½ cent less than the third class rate of 6 cents. In this case, the rule provides that the net reduced rate to be applied shall not be less than the third class rate, so the application of Rule 25 would result in a rate of 6 cents, the third class rate.

Rule No. 26. The mathematical operation of the reductions authorized by Rule 26 is exactly the same as in the case of Rule 25, and the fractions are disposed of in a similar manner, except that the degree of reduction is 20% of the third class rate, and the rate so arrived at must, in no instance, be lower than the fourth class rate. Consequently, the fourth class rate is to be used as the minimum Rule 26 rate.

This application is illustrated by a shipment of mattocks, in less than carload quantity, from Dayton, Ohio, to New York City, N. Y. Mattocks are rated as follows in the Official Classification:

Mattocks, in bundles, boxes, barrels, or casks:

| | L.C.L. | C.L. |
|--|--------|------|
| Handles attached | 3 | 4 |
| Without handles (C. L. min. wt. 36,000 pounds) | R26 | 5 |

The less-than-carload quantity of mattocks, without handles, is rated Rule 26, which means that the rate to be

assessed on the shipment will be 20 per cent less than the third class rate.

Rule No. 28. This rule provides that fixed amounts be added to the fourth class rates on articles listed in the classification which are subject to the rule. The rule in its construction is based upon the differences in amount between the third and fourth class rates. Thus, if the difference between the third and fourth class rates is 1 cent, four-tenths of 1 cent is added to the fourth class rate, to make rates on articles subject to Rule 28 in the Classification.

No such rules as these for making rates are contained in the Western or Southern classifications.

§ 27. Furnishing Cars Longer or Shorter Than Ordered by Shipper.

As you have already seen, the carriers place a premium upon cars which are of greater carrying capacity than the standard 36-foot 6-inch car, when loaded with articles of certain prescribed minimum carload weights, by establishing greater minimum carload weights for the same articles for such cars of greater than standard size. It is obviously a matter of great importance to the shipper to order a car of the size to which he can apply the cheapest minimum carload weight for the quantity of goods he has to ship. If you have but 20,000 pounds of an article the established carload minimum for which is 20,000 pounds when loaded in a standard 36-foot car, and the carrier disregards your specifications for such car and furnishes you with a 42-foot car, the premium minimum carload weight for which is 23,600 pounds (in Western Classification), you are required to pay charges on 3,600 pounds more than your shipment necessitates. Such a shipment would represent 3,600 pounds of "air." Such a practice

is repugnant both to the law and to a sense of moral justice. Hence, rules are provided so that the shipper may be protected from the payment of greater charges than would result from the use of the car ordered where the carrier, either for its own convenience, or because of its inability to do otherwise, furnishes a car of greater size.

The rule is the same in the Official and Southern classifications:

“(a) When articles subject to the provisions of this rule are loaded in or on cars 36 feet 6 inches or less in length, they shall be charged at the minimum carload weights specified therefor in the Classification (actual or estimated weight to be charged for when in excess of the minimum weight). Except as provided in Secs. B and C, if such articles are loaded in or on cars exceeding 36 feet 6 inches in length, the minimum carload weights to be charged shall be as provided in Sec. F (actual or estimated weight to be charged for when in excess of the minimum weight). (See Note 1.)”

The reference to Sec. F is to the table of graduated minimum carload weights to be found in this volume under “Interpretation and Comparison of Classification Rules,” Chap. X, Sec. 6, “Minimum Carload Weights.”

“(b) When a shipper orders a car 36 feet 6 inches or less in length for articles ‘subject to Rule 27,’ and the carrier is unable to furnish car of desired length when ordered, a longer car will be furnished under the following conditions:

“1st. If the carrier is unable to furnish car of desired length but furnishes a longer car not exceeding 40 feet 6 inches in length, the minimum weight for the car furnished shall be that fixed for the car ordered, except that when the loading capacity of the car is used the minimum weight shall be that fixed for the car furnished.

"2nd. If the carrier is unable to furnish car of the desired length or in place thereof a car not exceeding 40 feet 6 inches in length within six (6) days from the date car is ordered, and after the expiration of such period furnishes a longer car than ordered, the minimum weight for such car shall be that fixed for the car ordered, except that when the loading capacity of the car is used the minimum weight shall be that fixed for the car furnished.

"If a longer car than ordered is furnished, the following notation must be made by agent on bill of lading and waybill:

" 'Car . . . feet in length ordered by shipper on . . . (date); car . . . feet in length furnished by carrier on . . . (date), under Rule 27, Official Classification.'

"(c) When a shipper orders a car over 36 feet 6 inches in length for articles 'subject to Rule 27,' and car of the length ordered cannot be furnished within six days after receipt of order (see Note 2), carrier will, after expiration of such period, furnish a longer car or two shorter cars under the following conditions:

"1st. If the carrier is unable within six days after receipt of order (see Note 2), to furnish car of the length ordered and furnishes a longer car, the minimum weight shall be that fixed for the car ordered, except that when the loading capacity of the car is used, the minimum weight shall be that fixed for the car furnished.

"If a longer car than ordered is furnished, the following notation must be made by agent on bill of lading and waybill:

" 'Car . . . feet in length ordered by shipper on . . . (date); car . . . feet in length furnished by carrier on . . . (date), under Rule 27, Official Classification.'

"2nd. If the carrier is unable within six days after receipt of order (see Note 2) to furnish car of the length

ordered or a longer car than ordered and furnishes two shorter cars in place of the car ordered, one of the cars (the longer of the two if of different lengths and subject to different minimum carload weights when loaded singly) shall be charged the minimum weight fixed for such car (actual or estimated weight if greater) and the remainder of the shipment loaded in or on the other car shall be charged at actual or estimated weight and carload rate, but in no case shall the total weight charged for the two cars be less than the minimum weight fixed for the car ordered.

"When two shorter cars are furnished in place of the car ordered, the following notation must be made by agent on bill of lading and waybill:

" 'Car . . . feet in length ordered by shipper
(date); two cars . . . feet and . . . feet in length furnished by carrier on (date), under Rule 27, Official Classification.'

"(d) Except when furnished by carrier in place of a shorter car ordered, if a car over 36 feet 6 inches in length is used by shipper for loading articles 'subject to Rule 27,' without previous order having been placed by shipper with carrier for a car of such size, the minimum weight shall be that fixed for the car used.

"(e) Rule 5-C will not apply to articles 'subject to Rule 27' unless otherwise provided in the description of such articles in the classification or in the tariffs of individual carriers."

For application of Rule 5-C, referred to in the rule (Sec. E), see another volume of this series.

For table of graduated minimum carload weights for cars of greater than standard size, including deduction weights under Western Classification rules, see another volume of this series.

The following notes are appended in explanation of the rule:

"Note 1. The length of cars referred to in this rule is based on the platform measurement of flat cars and inside measurement of all other cars, except that on refrigerator cars having ice boxes constructed in ends thereof extending from top of car partially to floor thereof, the length shall be computed from the inward side of the ice box.

"The platform measurement of flat cars and the inside measurement of other cars must be shown on the manifests and transfer slips to connecting lines.

"Note 2. Time will be computed from the first day after the day on which order is received by carrier. In computing time, Sundays and legal holidays (national, state and municipal) will be included. When the last day of the six day period is a Sunday or legal holiday, the day following will be considered the last of the six days. When a legal holiday falls on a Sunday, the following Monday will be treated as a legal holiday.

"Note 3. When a shipper orders a car of specified length within and including the minimum and maximum lengths for which the same minimum carload weight is provided in Sec. F, the furnishing by carrier of a car of any length between and including such minimum and maximum lengths will be a fulfilment of shipper's order.

"Note 4. For dimensions and capacities of cars, see the Official Railway Equipment Register (issued by G. P. Conard, Agent), and re-issues thereof."

The rule in the Western Classification is exactly the same.

The rule in the Southern Classification simply reads:

"Section 3. When a shipment, the minimum carload weight for which is 20,000 pounds or less, requires a car, other than a flat or gondola, of greater length than can be

furnished by the carrier, two smaller cars may be furnished and revenue assessed upon basis of actual weight of the shipment; but not less than the carload minimum established for a car of size required.

"If the carrier, for its convenience, furnishes a car of greater length than required to transport a shipment, the minimum carload weight for which is 20,000 pounds or less, charges will be assessed at the carload minimum weight provided for a car of size required, but not less than at actual weight at carload rate.

"In all such cases, waybills must bear reference to this rule.

"For dimensions of flat, gondola, stock or box cars, see the Official Railway Equipment Register (issued by G. P. Conard, Agent) and re-issues thereof."

For table of graduated minimum carload weights for cars of greater than standard size, see another volume of this series.

The operation of these rules governing the minimum carload weight upon which charges are to be assessed in cases where the carrier furnishes a longer or two shorter cars than ordered by the shipper, is simple. Under both the Official and Western classifications the application of these rules is confined to those articles of which the description in the classification reads "subject to Rule 27" (Official, or "subject to Rule 6-B" Western). The substance of the rules is that if the carrier furnishes a longer car than the size ordered by the shipper, the minimum carload weight provided for the size of car ordered by the shipper will be applied, unless the shipper loads the car furnished to its loading capacity, in which latter case he is required to pay charges on the minimum carload weight established for the car furnished; provided, always, of

course, that the actual or estimated weight of the shipment does not exceed the prescribed minimum weight.

The second part of the rule covers a case where the shipper orders a car of greater length than the standard 36-foot 6-inch car. If the carrier furnishes a car of greater length than that ordered by the shipper,—unless the shipper loads the car furnished to its loading capacity,—the minimum carload weight established for the car ordered will govern. But if the carrier furnishes two cars of shorter length than that ordered by the shipper, charges will be assessed on the longer of the two cars,—if there be a difference in the lengths of such cars furnished, which means they are of sizes subject to different minimum carload weights,—at the minimum carload weight prescribed for such longer car, and the remainder of the shipment loaded in the other shorter car will be charged for at actual or estimated weight at the carload rate. In no case should the total weight charged for in the two cars be less than the minimum carload weight fixed for the car ordered by the shipper.

Suppose you wish to ship 35,000 pounds of concrete refrigerator tanks, subject to Official Classification ratings. In carload quantities concrete refrigerator tanks, boxed or crated, are classified fourth class under a minimum carload weight of 20,000 pounds, subject to Rule 27. You order a car 48 feet 6 inches in length, or as you would probably describe it “a 48-foot car,” which has a fixed minimum carload weight of 32,400 pounds for concrete refrigerator tanks; but the carrier, in lieu thereof, furnishes you with two shorter cars,—one 36-foot car, and the other a 34-foot car. You load 28,000 pounds of the tanks in the 36-foot car and 7,000 pounds in the 34-foot car. Charges would be assessed on the actual weight of 28,000 pounds in the 36-foot car and upon 7,000 pounds at carload

rate in the 34-foot car, or upon a total weight of 35,000 pounds at the carload rate, fourth class.

If, however, your article had been of a light and bulky character, which, when loaded to the loading capacity of the 36-foot car, did not weigh as much as the prescribed minimum carload weight for the car, charges would be assessed on the minimum carload weight prescribed for the 36-foot car, and on the actual or estimated weight of the remainder of the shipment loaded in the 34-foot car at the carload rate.

The rules thus prescribed by the carriers in their classifications governing the furnishing of cars to shippers of different sizes than those ordered by the shippers, naturally bring up the question of the legal duty of the carriers to furnish cars upon request of shippers and to furnish cars capable of carrying the prescribed minimum carload weights. It is beyond the scope and purpose of this interpretation and comparison of rules to enter into a study of questions purely legal in their nature. A discussion of such legal phases of the question will be found elsewhere in this series.

Some timely rulings by the Interstate Commerce Commission should be noted at this point, because they have to do with the protection of the shipper in the use, voluntarily or involuntarily, of cars of greater size than ordered by him.

For a through shipment of an emigrant outfit the initial carrier, at the request of the consignor, furnished a 40-foot car which became out of order while on its line. At the junction point the connecting carrier transferred the shipment into two 36-foot cars, and in that form it moved to destination on the line of a third carrier. There was no joint through rate, but the second and third carriers maintained a rate for a 36-foot car, all weight in excess of a

given minimum to be charged for proportionately, the tariff, however, expressly forbidding the use of larger equipment. At destination, charges were collected on the basis of two carloads from the point of transfer.

The Interstate Commerce Commission, March 15, 1910, held that in transferring the shipment, the connecting carrier ought to have loaded the full minimum weight into one car and to have adjusted the charges on the balance of the shipment in the second car at the less-than-carload rate. Confr. Ruling No. 273, Bull. No. 6, March 15, 1910.

Complaints of alleged overcharges arise in connection with shipments that move over the lines of two or more carriers under combination rates, the initial carrier having a provision in its tariff that in case a car of certain dimensions or capacity is ordered by a shipper, and the carrier for its own convenience furnishes a larger car, such larger car may be used on the basis of the minimum weight applicable to the car ordered, while the connecting carrier does not have such tariff provision and therefore charges for the full minimum weight applicable to the car used.

The law imposes upon carriers the obligation of arranging to every possible extent for through carriage and through shipment. Neither the burden of following his shipment to a connecting point between two carriers and there transferring it, nor of bearing the expense of such transfer, can be laid upon the shipper. It is not deemed reasonable that in a case of this kind the shipper should be required to pay higher charges than he would have paid had the initial carrier furnished the equipment that is provided for in its tariff and that was ordered by the shipper. The carriers in the different classification territories ought to have, and should provide at the earliest practicable moment, a uniform rule on this subject.

It is believed that where the initial carrier provides in

its tariffs that if for its own convenience it furnishes a car larger than that ordered by the shipper, it will be used upon the basis of minimum weight applicable to the car ordered, and the connecting carrier to or over whose lines such shipment is moved has no such provision in its tariff, the initial carrier should note upon the bill of lading and upon the waybill or transfer bill which accompanies delivery of a shipment to its connection, the fact that a car of a certain size was ordered and a car of a certain size was for its own convenience furnished by the carrier to be used on the basis of the minimum weight applicable to the car ordered; and that connecting carrier, receiving such notice on the waybill or transfer bill and not having provision in its tariff which permits the use of the car on the basis of the lower minimum weight, should transfer the shipment into a car of the size or capacity ordered by the shipper or into a car to which the same minimum weight applies, without additional expense to the shipper.

This ruling outlines the policy which the Commission will follow in cases of this nature which may be brought before it. It is, of course, understood that shipper may not demand any car that is not provided for in the initial carrier's tariff. Confr. Ruling No. 274, Bull. No. 6, March 15, 1910.

On February 5, 1912, the Interstate Commerce Commission, upon informal complaints and numerous inquiries, held that the act of a carrier in furnishing two small cars in lieu of the larger car ordered by a shipper under appropriate tariff authority is binding, at the rate and minimum applicable to the car ordered, upon all the carriers that are parties to the joint rate under which the shipment moves from the point of origin; the shipper is entitled to all privileges in transit, to reconsignment, and to switching at the same charges as would be applicable under the joint

tariff had the shipment been loaded into one car of the capacity ordered; and demurrage will likewise accrue on that basis. If the shipment moves beyond the point to which the joint rate applies, the connecting line or lines are entitled to and should collect their transit, reconsigning, switching, and demurrage charges as provided in their own tariffs.

In all cases the initial carrier will be liable for such additional charges as may be imposed on the shipper by reason of its failure to furnish a car of the capacity ordered. Carriers that are parties to the joint rate under which the shipment commenced to move may share in such additional expense so incurred by the initial carrier. Rule 66 of Tariff Circular No. 18-A; *General Chemical Co. vs. N. & W. Ry.*, 15 I. C. C. Rep. 349; Conference Ruling 250, Bull. No. 6; *Milwaukee Falls Chair Co. vs. C. M. & St. P.*, 16 I. C. C. Rep. 217; Conference Ruling 59, Bull. No. 6; *Noble vs. B. & O. R. R.*, 22 I. C. C. Rep. 432; and Conference Ruling 274, Bull. No. 6, reaffirmed, with the understanding, however, that the duty of transferring the shipment rests upon the carriers and not necessarily upon the connecting carrier. Confr. Ruling No. 339, February 5, 1912, Bull. No. 6.

Carriers provide cars of varying dimensions and capacities, and they provide minimum weights for the several kinds of cars based upon those dimensions and capacities. At times when transportation facilities are inadequate to supply the demand upon them it is frequently difficult or impossible for the carrier to furnish a shipper with a car of the dimensions or capacity desired by him, although the carrier has in its tariffs provisions for the use of such car. Manifestly it is not equitable nor proper to require the would-be shipper to pay additional transportation charges for the privilege of using a car of different dimensions or

capacity from that which would suit his shipment or forego entirely his desire to ship.

Some carriers provide elastic rules which properly permit the use of different dimensions or capacities when they are furnished by the carrier in lieu of those desired or ordered by the shipper. Other carriers do not so provide, and as a result many instances arise in which the initial carrier under such provision furnishes the shipper with cars at its convenience and connecting carriers that have not adopted similar provisions assess higher charges in accordance with their tariffs, thus imposing upon the shipper a wholly unexpected, and, in view of the opinion of the Interstate Commerce Commission, unreasonable charge.

The Commission believes it to be the duty of every carrier to incorporate in its tariff regulations a rule to the effect that when carrier can not promptly furnish a car of capacity or dimensions desired by the shipper, and for its own convenience does provide a car of greater capacity or dimensions than that ordered, such car may be used on the basis of the minimum carload fixed in the tariffs for cars of the dimensions or capacity ordered by the shipper, provided the shipment could have been loaded into or upon car of the capacity or size ordered; and that if a car of smaller capacity than that ordered by the shipper is furnished, it may be used on the basis of actual weight when loaded to its full visible capacity, or that that portion of the shipment which can not be loaded into the smaller car will be taken in another car and the shipment treated as a whole on the basis of the minimum fixed for the car ordered by the shipper; and that if the carrier is unable to furnish a car of large dimensions, ordered by shipper, it may furnish two smaller cars which may be used on the basis of the minimum fixed for the car ordered; it being understood that the shipper may not order a car of dimen-

sions or capacity for which a minimum is not provided in the carrier's tariffs.

In all such cases the capacity of the car ordered, the date of such order, the number, initials, and capacity of the car furnished should be stated on the bill of lading and the carrier's waybill.

In case of controversy between shippers and carriers caused by absence of such rule from tariffs which provide graduated minima for cars of different sizes the Commission will regard such tariffs as *prima facie* unreasonable.

It is the duty of carriers to provide reasonable facilities for transportation, and if they can not furnish equipment to move the carloads provided for in their regulations it is clearly their duty to provide some other method of transporting as one shipment, and at the rate named therefor, such carload weight when tendered by shipper.

The minimum weight upon which carload rate is based is a part of the rate, because the charges on the shipment are determined by such minimum weight. The publication, posting, and filing of the rate and of the minimum weight are therefore equally necessary, and it is also equally necessary that both be observed.

Where two or more carriers publish a joint through rate they must publish in connection therewith one carload minimum weight for the through movement under that rate. This ruling is not to be understood, however, as condemning the publication in joint tariffs and the use of through rates made up in combination on a specific base point and providing one minimum weight in connection with the specified portion of the rate up to the base point, and a different minimum weight in connection with the specified portion of the rate beyond the base point.

The mechanical departments of the carriers have rules against loading, to its full capacity, a new car on its first

trip. This rule is understood generally to provide that such car shall not on its first trip be loaded to more than 75 per cent of its capacity. The Commission was requested to pass upon the question of conflict between the tariff minimum and the mechanical department's rule.

All new cars are now of much greater capacity than those of a few years ago, and carload minima have also been increased. The number of commodities that are shipped in closed cars and that ordinarily are loaded to the full capacity of the car are comparatively few. Except in times of actual car shortage there would seem to be but little difficulty in selecting for such new cars loading that would bring no conflict between the tariff and the mechanical department's rule. The tariff rule is the one which the carrier is by law obligated to observe and maintain. It is not possible to authorize setting aside the tariff requirement without creating or making possible discriminations. There is no objection to incorporating in the tariff a rule that the minimum weight applicable to a new car on its first loading shall be a certain percentage of its capacity or of the minimum fixed in the tariff. The Commission adheres to the view that the rule governing minimum weight shall be contained in a lawful tariff and that it must be applied and observed. Rule No. 66, I. C. C. Tariff Circular 18-A.

If two smaller cars than the car ordered by shipper are furnished under the Southern Classification rule, the charges are assessed on the actual weight of the shipment, but should not amount to less than the charges on the minimum carload weight provided for the size of car ordered by the shipper. The rule is similarly applied where a larger car than the one ordered by the shipper is furnished by the carrier.

It will be noted that the carriers, under the rules of the

Official and Western Classifications, fix a period of six days within which to furnish cars of the sizes ordered by the shipper. As to the reasonableness of this exaction of time in furnishing cars no determination will at this time be attempted.

§ 28. Tank Cars, Furnishing, Mileage Allowances, and Mileage Equalization.

It may be generally stated as the law that a carrier is required to furnish adequate equipment for the transportation of commodities which it holds itself out to carry. This is the Interstate Commerce Commission's interpretation of Sec. 1 of the Act to Regulate Commerce. Certain classes of traffic, such as live stock, commodities requiring refrigeration, and articles requiring certain protection for themselves and for other articles, demand a special class of equipment. If a railroad company holds itself out as a carrier of these species of freight, it is well settled that it is its duty to furnish equipment to carry it, and that duty may not be shifted to the shipper. The question of furnishing tank car equipment is one in which the carriers seek to escape the above obligation. A detailed discussion of this duty on the part of the carrier to furnish adequate equipment, including special equipment, will be found elsewhere.

In each of the three interstate classifications, the rule provides that the carriers subject to the classifications are not obligated to furnish tank cars for articles having tank car ratings in the classification. The rule in the Western Classification, however, is qualified to the effect that the ratings in the classification for articles in tank cars do not obligate the carriers to furnish tank cars in case such carriers do not own or have not made arrangements for supplying such equipment.

The Official Classification also contains rules for mileage allowances on tank cars of private ownership and for equalization of tank car mileage in specified instances.

The rule in the Official Classification is as follows:

"Section 1. In providing ratings in this classification for articles in tank cars, the carriers whose tariffs are governed by this classification do not assume any obligation to furnish tank cars. When tank cars are furnished by shippers or owners, mileage at the rate of three-quarters ($\frac{3}{4}$) of one cent per mile will be allowed for the use of such tank cars, loaded or empty, provided the cars are properly equipped. No mileage will be allowed on cars switched at terminals nor for movement of cars under empty freight car tariffs.

"Sec. 2. Private tank cars will be moved empty, without charge, at the time movement is made between stations or junction points on the lines of carriers whose tariffs are governed by this classification (either individually or jointly), including delivery to connecting lines, subject to the following conditions:

"(a) Should the aggregate empty mileage of any owner's cars on June 30th, of each year, or at the close of any such yearly period as may be mutually agreed upon, exceed the aggregate loaded mileage on the lines of such carriers individually (or jointly when mileage accounts are computed jointly), such excess must be paid for by the owner, either by an equivalent loaded mileage during the succeeding six months, or at tariff rates without minimum, plus the mileage that has been paid by the carriers to the owners on such excess empty mileage. Any excess of loaded mileage over empty mileage of any owner's cars at the end of the accounting period will be continued as a credit against the empty movement of such cars for the ensuing twelve months.

“(b) New cars or newly acquired cars, moved empty to home or loading point by order of the owner, must be billed at regular tariff rates.”

In the Western Classification the tank car rule reads as follows:

“Section 1. Where the classification provides ratings on commodities in tank cars, such ratings do not obligate the carrier to furnish tank cars in case the carrier does not own, or has not made arrangements for supplying such equipment.

“Sec. 2. When tank cars of private ownership are furnished by shippers or owners, mileage at the rate of three-quarters ($\frac{3}{4}$) of a cent per mile will be allowed on loaded and empty movement provided they are properly equipped. No mileage will be allowed on such cars switched at terminals nor for movement under empty freight car tariffs.

“Sec. 3. The weights and charges on shipments in tank cars shall be based on the full gallonage capacity of the tank, unless the weight carrying capacity of the car trucks is less, in which case the actual weight subject to the weight carrying capacity of the car trucks as minimum will govern.”

The rule in the Southern Classification governing tank cars is somewhat different:

“Section 1. Ratings provided for freight in tank cars do not obligate the carriers to furnish tank cars.

“Sec. 2. Except as provided in Sec. 5 of this rule, or in the separate descriptions of articles, actual weight shall be charged for freight in tank cars loaded full.

“Sec. 3. When the tank is not full, charges shall be computed on the gallonage capacity of the tank, subject to Sec. 5 of this rule and the provisions of General Rule 39 (see note). The gallonage capacities of tank cars are

shown in Western Trunk Line Circular No. 6 Series, supplements thereto or re-issues thereof.

"Note. On articles subject to Sec. 1825 of the Regulations for the Transportation of Dangerous Articles other than Explosives, the minimum carload weight shall be computed at 98 per cent of the gallonage capacity of the tank.

"Sec. 4. The 'weight for computation,' where published in the separate descriptions of articles in tank cars, is to be used in computing charges, (a) when the tank is full and the actual weight is not obtainable or, (b) when the tank is not full and the gallonage capacity is used to compute the minimum charge.

"Sec. 5. Tank cars must not be loaded beyond weight-carrying capacity. If the freight loaded in a tank car is of such weight per gallon that the weight computed on the gallonage capacity of the tank is in excess of the weight-carrying capacity of the tank car, the weight-carrying capacity of the tank car will be the carload minimum weight.

"Sec. 6. The tank or gallonage capacity of tank as referred to in this rule does not include the capacity of dome."

These rules are self-explanatory in so far as the mileage charges are concerned and the method of equalizing mileage under the Official Classification. These are but fundamental rules governing the use of tank cars. You should study carefully the tariff regulations of individual carriers with respect to tank cars, mileage allowances, etc., and also the tank car circulars issued by the Western Trunk Line Committee.

The computation of charges based on actual weight or gallonage capacity of tank cars, and scales of "weight for

computation" for different articles transported in tank cars, has been previously detailed in this volume.

§ 29. Rules and Regulations Governing the Transportation of Explosives and Dangerous Articles Other Than Explosives, by Freight.

The safety of persons and property in transportation is safeguarded against injury from the transportation of explosives and other articles of a dangerous and injurious nature by formal rules and regulations promulgated by the Interstate Commerce Commission. These rules and regulations are adopted by carriers throughout the country, and their violation entails the infliction of heavy penalties.

The Official Classification contains in full the rules and regulations of the Commission for the transportation of dangerous articles other than explosives by freight, but omits the rules governing the transportation of explosives.

The Western Classification contains both the rules and regulations for the transportation of explosives and for the transportation of dangerous articles other than explosives.

The Southern Classification omits the rules and regulations of the Commission, but provides:

"Section 1. The transportation of explosives will be subject to the rules and regulations as shown in the publications of the individual lines, prescribed by the Interstate Commerce Commission under the Act of Congress, of May 30, 1908.

"Sec. 2. The transportation of dangerous articles other than explosives (inflammable articles and acids) will be subject to the rules and regulations issued by the Interstate Commerce Commission in their order of June 20, 1911, effective October 1, 1911, prescribed by them under Sec. 15 of the Act to Regulate Commerce, as amended

June 18, 1910, and as shown in the publications of the individual lines."

The Canadian Classification contains regulations for the transportation of explosives as prescribed by the Board of Railway Commissioners for Canada.

The subject of transportation of explosives and dangerous articles other than explosives, with complete quotation of the Commission rules and regulations thereon, will be found in another volume.

Tariffs which contain rates for the transportation of explosives must also contain notice that such rates are applicable in connection and in compliance with the regulations governing the transportation of explosives fixed by the Interstate Commerce Commission. If the tariff is governed by the classification, it will be sufficient to include this notice in the classification referred to as governing the tariff.

Some freight classifications provide that high explosives will be "taken only by special agreement." Carriers are prohibited from carrying any traffic except under tariffs provided in the manner prescribed by law. It follows, therefore, that no traffic or transportation can be the subject of special agreement between the carrier and the shipper, except as provided in Sec. 22 of the Act to Regulate Commerce. If it is impracticable to classify high explosives in the classification the statement must not be, "taken only by special agreement," but must be, "subject to regulations and rates in tariffs of the individual carrier;" and each carrier must provide in its tariffs the rates and regulations applicable to such traffic.

§ 30. Packing Requirements for Glass Carboys.

The rules containing specifications for packing glass carboys are practically identical in the Official and South-

ern classifications, but the Western Classification contains no such formal rule.

The rule in the Official Classification provides, that :

“Articles not subject to Rule 30 (Rules and Regulations Governing the Transportation of Dangerous Articles Other Than Explosives), and which are provided for ‘in carboys’ are subject to the following rule :

“The carboy must be completely enclosed in a strong wooden box or cylindrical iron case and so cushioned by proper packing material that the glass will not come in contact with the wooden or iron covering. If the neck of the carboy projects, it must be protected by a wooden or metal hood securely attached to the box. When the hood is attached with nails or screws, they must not come in contact with the glass of the carboy.”

The only difference in the Southern Classification rule is that it omits the requirement of enclosing of the carboy in a “cylindrical iron case.”

For other specifications governing the packing of glass carboys, see tariffs of individual lines.

§ 31. Extension of Barrel and Cask Package Ratings.

The application of ratings on freight “in barrels” to the same freight in other rolling packages is made in the Official, Western and Southern classifications by the following rule :

“Unless otherwise provided in the separate description of articles, the ratings shown for freight in barrels or casks will also apply on such freight in hogsheads, pipes, punch-
eons, tierces, casks, barrels, half-barrels, quarter-barrels, sixth barrels, eighth-barrels, kegs, or iron, steel or wooden drums.”

§ 32. Charges Not to be Advanced to Shippers.

Each of the Interstate Classifications provides: "No charges of any description will be advanced to shippers, owners, consignees, or agents thereof; nor to any draymen or warehousemen for shippers, owners, consignees, or agents thereof." This means that no charges whatever can be paid unless such charges are a part of the rate on the shipment and published in tariffs legally on file with the Interstate Commerce Commission.

§ 33. Definition of Term "Nested."

Under another section of this volume, "Packing Requirements and Rules," a comparison was made of the definitions of the term "nested" as contained in the three interstate classifications.

The Official Classification contains the following rule defining "nested" articles:

"Section 1. The term 'nested,' used in package specifications in this classification, means that two or more different sizes of the article for which the 'nested' specification is provided must be enclosed each smaller within each next larger, or that two or more of the article for which the 'nested' specification is provided must be placed one within the other so that each upper article will not project above the next lower article more than one-third ($\frac{1}{3}$) of its height.

"Sec. 2. The provisions shown in Sec. 1 of this rule prohibit the application of 'nested' ratings when articles of different name or material, whether grouped in one description or shown separately, are nested or enclosed one within the other."

The rules and definitions governing the specification "nested" are the same practically in the Western and Southern classifications, except that the Southern Classification requires three or more of the articles to be nested.

The Canadian Classification rule is:

"Nested solid—A series of similar articles nested in such a way that the outside and bottom surfaces rest against the inside and bottom of the articles below without any intervening space between the outside and inside surfaces.

"Nested—A series of similar articles nested or enclosed one within the other and fitting closely together, but not solid as prescribed in Sec. (i)."

§ 34. Application of Commodity Rates Versus Class Rates.

Each of the three interstate classifications contains the following self-explanatory rule relative to the application of commodity rates and the alternative use of class or commodity rates in sectional tariffs governed by the classification:

"Whenever a car (or less-than-carload) commodity rate is established, it removes the application of the class rate to or from the same points on that commodity in carload quantities (or less-than-carload quantities, as the case may be), except when and in so far as alternative use of class and commodity rates is specifically provided for by including in different sections of one and the same tariff such class and commodity rates, and by including in each section of such tariff the specific rule, 'If the rates in section of this tariff make a lower charge on any shipment than the rates in section of this tariff the rates in section will be applied.'"

This completes the interpretation and comparison of the rules contained in the Official Classification schedule as now in effect. From this point the comparison of the rules will proceed from the standpoint of the Western Classification rules compared with the provisions of the rules

section of the Southern Classification, in so far as any features of similarity exist.

§ 35. Ratings, Requirements, and Specifications Governing Packages and Containers Other Than Fibre-board.

The rules of the Western and Southern classifications governing specifications for containers other than fibre-board are practically uniform. The Western rule is prefaced with the following application of ratings on different kinds of packages:

“Section 1. Unless otherwise provided for in the classification, all freight shipped in crates, bales, bags, or bundles will take when shipped in crates the next class higher (greater) than in boxes, and when shipped in bales, bags, or bundles one class higher (greater) than in crates. Where same rating is provided for articles shipped in bundles or boxes, the rating given will apply upon shipments of the same articles in crates. When no rating is shown for articles in boxes, the rating shown for the same article in crates will apply. When not otherwise specified in the classification, where the same rating is provided for articles shipped in crates or boxes, the same articles shipped in bundles will take the next class higher (greater). When not otherwise specified in the classification, the rating given on shipments in boxes shall apply upon shipments in barrels or kegs, or in drums (see Sec. 10 of this rule), and vice versa.

“Shipments made in basket work packages (combined woven wood and wire), or in boxes with slatted tops, are ratable as in crates.”

This application is not made a part of the rule in the Southern Classification. Commencing with Sec. 2 of the Western Classification the rule in the Southern Classifica-

tion is the same, except as noted in the following quotation:

"Sec. 2. Freight will be accepted only when the containers are of sufficient strength and security to afford reasonable and proper protection to the freight which the containers enclose.

"Sec. 3. Articles for which containers are specified must be enclosed by the containers so that no ends or other parts protrude, unless otherwise provided in the separate description of articles.

"Sec. 4. Articles that are easily broken must be protected by packing material within the container to prevent breakage.

"Sec. 5. All containers must be strongly made from material of sufficient strength to protect the articles against ordinary risks of transportation, and must also conform to the specifications of this rule. Special conditions respecting the construction of containers, shown in the separate descriptions of articles, must be observed.

"Sec. 6. Boxes must be made of iron or steel, not less than 16 gauge U. S. standard, or of wood; except as provided in Rule 42 (fibreboard container specifications), with solid or closely fitted sides, ends, tops and bottoms, securely fastened. Wooden boxes of unusual size or carrying unusual weight must be strapped or be reinforced by cleats.

"Sec. 7. Crates must be made of wood protecting contents on sides, ends, top and bottom, so that no part will protrude. Crates must hold contents securely in place and be so constructed that the freight may be taken into and out of the car or vessel within the crate. Surfaces liable to be damaged must be fully protected. Pieces forming the crates must be of sound material, free from defects that materially lessen their strength. Crates of

unusual size or carrying unusual weight must be strapped or be reinforced by cleats placed diagonally. Crates in circular form must be reinforced at ends by metal or wooden hoops securely fastened to the package."

The Canadian Classification provides:

"Articles must be enclosed on all sides by wood framework and slatted sufficiently to protect the property. Nailing strips on, to or around the article, forming partial protection only, is not sufficient to entitle it to rating provided therefor as 'crated.'

"Sec. 8. (a) Pails, firkins, kits and tubs must be made of wood or entirely of iron or steel, except as provided in Rule 42 (fibreboard container specifications), and:

"(b) When made of iron or steel, tops must fit closely, and be secured by crimping into the sides; or by one or more iron or steel clamps extending across the tops and securely clamped to opposite sides; or securely clamped to sides by not less than four iron or steel clamps or lugs; or when friction tops are used they must be completely and securely set in place and tightly clamped to sides by not less than two iron or steel clamps or lugs; or

"(c) When made of wood, heading or tops must be solid or closely fitted, and heading must be securely held in grooves (crozes) or on shoulders by hoops or head liners, or when the packages are without grooves (crozes) or shoulders, heading must be securely held in place by head liners; or top nailed to sides and with two or more metal straps or wires crossing at center of top, encircling the package; or top nailed to sides, and with two or more metal straps or wires crossing at center of top, with ends of straps or wires brought over and secured to the hoops, sides or bottom; or nailed to sides and with three or more bands riveted at the center of top and ends brought over and secured to the hoops, sides or bottom; or top nailed

to sides and held tightly in place by a metal hoop not less than one inch in width crimped into or over the edge of the top and crimped into or nailed to the sides; or

“(d) When made of wood with metal tops, top must have flange closely fitting over the edge of the side, and be nailed to side, nails not to be more than five (5) inches apart.

“(e) Wooden tubs not conforming to requirements of Sections 8 (c) or (d) must have heading not less than one-half ($\frac{1}{2}$) inch in thickness, secured by two battens extending completely across the head and the ends of battens must be nailed to sides of tub.

“Sec. 9. (a) Unless otherwise provided in the separate description of articles, the ratings shown for freight in barrels will also apply on such freight in hogsheads, pipes, puncheons, tierces, casks, drums (see Section 10 of this Rule), half-barrels, quarter-barrels, sixth-barrels, eighth-barrels, or kegs.”

At this point the Southern Classification changes the wording of the rule to read “rates and ratings shown for freight in barrels” and then proceeds as the Western rule does.

The Canadian Classification rule provides:

“Ratings herein provided on commodities shipped in wooden pails, buckets or kits, loose (not crated or strapped together) with detachable covers, and shown as subject to this rule, will apply when the covers are securely fastened by means of nails, metal bands or strips or wires.”

“Barrels, casks, hogsheads, kegs, tierces and similar containers other than drums, must be made of iron, steel or wood.

“(b) When made of wood, heads must be made of one piece or of two or more pieces closely fitted, and

“(c) Heads must be held securely in grooves (crozes) by hoops; or

“(d) When these containers are used for articles not liable to loss from leakage or sifting and heading is one-half ($\frac{1}{2}$) inch or more in thickness, head may be counter-sunk or set below the grooves (crozes) but must be secured by two or more battens extending completely across the head and the ends of the battens nailed to the sides of the container, or held in place by head liner.

“Sec. 10. (a) The ‘drum’ referred to in this rule and in package specifications is a straight sided cylindrical container without bilge, with ends (heads) of equal diameter and with or without bail or handle.

“Drums must be made of iron, steel, or wood, except as provided in Rule 42, or in the separate descriptions of articles.

“(b) When made of wood:

“Must not be used as containers for liquids that are solvents of the material used to make the drum water proof.”

At this point the Southern Classification rule provides that drums when made of wood must not be used as containers for inflammable articles as defined by the Interstate Commerce Commission’s regulations for the transportation of inflammable articles and acids, other than explosives. In the Western and Official classifications this provision is effected by the inclusion in the classifications of the Commission regulations which also contain specifications as to containers to be used.

“(c) When used for other than dry articles, must be water tight, and

“(d) Sides (shells) must be made of three or more plies of veneer, having a total thickness of not less than one-fourth ($\frac{1}{4}$) inch; each ply must overlap the other so as to

distribute the seams, and plies must be firmly glued together cross grain; and

“(e) Ends must be not less than one-half ($\frac{1}{2}$) inch in thickness, made of one piece of sound wood free from defects, or of three or more plies of veneer firmly glued together cross grain; and

“(f) Ends must be set in tightly and securely glued to the sides, and further secured by metal or wooden hoops encircling the drum and fastened by nails not more than six inches apart, driven through the sides into the edges of the ends. Openings in ends must be closed by tight fitting bungs securely glued.

“(g) When used for dry articles:

“(h) Drums with hoops must have sides not less than one-fourth ($\frac{1}{4}$) inch in thickness, except as provided in paragraph (j) of this section.

“Ends must be securely held in place by complete hoops, nailed tightly to the inside of the shell, above and below the ends.

“Metal or wooden hoops must completely encircle the drum and be firmly attached to the sides, not more than six inches apart.

“Sides must be made of sound wood free from defects that materially lessen its strength, or of two or more plies of veneer securely fastened together cross grain; or

“(i) If the wooden hoops are fastened to the barrel by staples not more than four inches apart, staples running through the hoop and all plies of veneer and clinched on the inside and each ply of the veneer overlapping the other so as to distribute the seams, the veneer need not be cross grain.

“(j) When drums are made of beech, elm, or hard maple, the requirements of paragraph (h) may be varied from as follows:

"If the diameter of the drum does not exceed seventeen (17) inches, the sides must be not less than one-sixth (1-6) inch in thickness.

"If the diameter of the drum exceeds seventeen (17) inches, the sides must be not less than one-fifth (1-5) inch in thickness; plies of sides need not be cross grain if joints overlap.

"(k) Drums without hoops must have sides made of three or more plies of veneer, having a total thickness of not less than one-fourth ($\frac{1}{4}$) inch; each ply must overlap the other so as to distribute the seams, and plies must be firmly glued together cross grain; and

"(l) Ends must be not less than one-half ($\frac{1}{2}$) inch in thickness, made of one piece of sound wood free from defects, or of three or more plies of veneer, firmly glued together cross grain, and must be nailed to sides and strapped as required for pails in Section 8 (c) of this Rule, or glued and nailed securely to sides.

"Openings in ends must be closed by tight-fitting bungs securely glued and further secured by nails, staples or straps.

"(m) Drums conforming to specifications of paragraphs (d), (e) and (f) of this section may also be used for dry articles.

"Sec. 11. Jacketed metal cans:

"(a) The metal can partially jacketed must have iron, steel or wooden jacket, covering sides and bottom.

"(b) The metal can completely jacketed must have iron, steel or wooden jacket completely covering the can, except the mouth.

"(c) The wooden jacket must have thickness of not less than one-twelfth (1-12) inch for side and not less than one-fourth ($\frac{1}{4}$) inch for top and bottom, except as provided in Section 10 (d), and be reinforced with not less

than two metal or wooden hoops, except that when the jacket is made in box form and of sound wood not less than three-eighths ($\frac{3}{8}$) inch in thickness, hoops will not be required.

“(d) If metal or wooden side is attached to the bottom or top of the jacket by nails or staples, the bottom and top must have thickness of not less than three-eighths ($\frac{3}{8}$) inch.

“(e) The seams of cans must be securely soldered or welded.

“(f) Freight in cans of less than one (1) gallon capacity will not be accepted for transportation unless enclosed in barrels, boxes, or crates as provided in the separate description of articles.

“Sec. 12. Glass Carboys. The carboy must be completely enclosed in a wooden box and so cushioned by packing material that the glass will not come in contact with the wooden covering, except that if the neck projects it must be protected on all sides by a wooden or metal hood securely attached to the box. When the hood is attached with nails or screws they must not come in contact with the body of the carboy.

“Sec. 13. Bags must be made of cloth, unless otherwise provided in the separate description of articles, and be sufficiently strong and so closely woven and stitched as to carry contents safely and prevent sifting.”

The Canadian Classification provides: “Boxed,” “in barrels,” “kegs,” or “hhds.”

“Packages must completely enclose contents, and be constructed of wood sufficiently strong to contain and protect same, except as otherwise provided for by Sections (l) and (m) of this rule.

“‘Racked’ or ‘strapped.’

“Articles enclosed in skeleton frame-work (not slatted)

or cleated together by strips or slats, will be considered as 'racked' or 'strapped' and will be accepted only when so provided for in the classification.

"'Jacketed' means an outer covering securely protecting the inside package.

"'In wood' means in bulk, in bbls., kegs, casks, or hhds., unless otherwise provided for in this classification, or subsequent amendments thereto.

"Articles in paper packages will not be accepted for transportation unless covered with oiled or heavy paper, well wrapped and corded.

"The transportation company reserves the right to refuse to accept shipments in insecure packages."

In the construction of containers made to meet the required specifications of this rule, study the specifications carefully and see that they are complied with. The carriers have an unquestioned right to demand and insist upon secure packages for the protection of commodities contained in them, as well as for the protection of other freight.

The Canadian Classification provides:

"Unless otherwise provided for in this classification or subsequent amendments thereto:

| Freight Shipped In | Will Take |
|---|-----------------------------------|
| Bags, not crated | Next class higher than in crates. |
| Bales, not crated | Next class higher than in crates. |
| Barrels or kegs | Same rating as in boxes. |
| Barrels, with canvas or wire headings | Same rating as in crates. |
| Baskets, over-handled | Next class higher than in crates. |

| Freight Shipped In | Will Take |
|--|------------------------------------|
| Baskets, without over-handles | Same rating as in crates. |
| Basket-work packages (woven wood and wire). | Same rating as in crates. |
| Boxes | Same rating as in barrels or kegs. |
| Boxes, with canvas or wire headings | Same rating as in crates. |
| Boxes, with slatted tops... | Same rating as in crates. |
| Bundles, not crated | Next class higher than in crates. |
| Chests, with covers securely fastened with nails or screws | Same rating as in boxes. |
| Crates | Next class higher than in boxes. |
| Kegs, pressed steel | Same rating as in wooden kegs. |
| Pails, fibre | Same rating as in wooden pails. |

“(n) Where the same rating is provided for articles whether shipped in bundles or boxes, the rating given will apply upon shipments of the same articles crated, unless otherwise provided for in the classification, or subsequent amendments thereto.

“When no rating is shown for articles in boxes, the ratings shown for the same articles in crates will apply.

“Where the same rating is provided for articles shipped in crates or boxes, the same article shipped in bundles will take the next class higher, unless otherwise provided for in this classification, or subsequent amendments thereto.”

§ 36. Released Ratings or Ratings Conditioned on Declared or Invoice Value.

Both the Western and Southern classifications make provision for ratings conditioned upon a released or declared valuation or the invoice value of goods.

On articles which may be granted lower ratings, because shipped on a declared or invoice value, the Southern Classification provides a form of release of value to be signed by the shipper in consideration of a lower rating, and the Official Classification provides for reduced ratings for released valuations in the separate descriptions of articles.

The rule in the Western Classification stipulates that:

"Section 1. Ratings on the following articles in this classification are conditioned upon declared or invoice valuations being given by shippers at time of shipment:

"Declared Valuation: Household Goods and Emigrant's Movables, Jeweler's Sweepings and Tailings, Live Stock, Ore, Officers' Effects, Paintings, etc.

"Invoice Valuation: Animal and Poultry Foods, Extracts, not otherwise indexed by name, Fruit Jars, Jelly Glasses, Tumblers, Clocks, Watches, Scrap Cable, Iron or Steel, Rugs, Chinaware and Porcelain Ware.

"Agents should call shippers' attention to such ratings and where shippers desire to avail themselves of the lower ratings based on declared or invoice valuations, the following declarations must be inserted in bill of lading by agent and signed by the shipper.

"Sec. 2. When invoice value is made a condition of the ratings shown in this classification, the following clause must be entered in full on the shipping order and bill of lading, and signed by the shipper:

"For the purpose of enabling the carrier to apply the lawful rate, as provided in its classification and tariffs, I

(we) hereby declare that the invoice value of the property herein described does not exceed the value as stated which the carrier, at its option, will be permitted to verify from my (our) records, and I (we) will not present claim for any cause against the carrier on a higher basis than the invoice value."

.....
 "(Shipper's Signature.)"

"Sec. 3. When invoice value is not obtainable, the following will govern:

"When value declared by shipper is made a condition of the ratings shown in this classification, the following clause must be entered in full on the shipping order and bill of lading, and signed by the shipper:

"For the purpose of enabling the carrier to apply the lawful rate, as provided in its classification and tariffs, I (we) hereby declare that the value of the property herein described is the value as stated which is accepted by the carrier as the real and true value, and I (we) will not present claim for any cause against the carrier on a higher basis of value.

.....
 "(Shipper's Signature.)"

The rule in the Southern Classification provides that:

"Where the classification provides for a reduced rate, based on a certain fixed valuation, the following special release, containing the agreed valuation, must be written and signed by the shipper or owner upon the face of the bill of lading or shipping receipt:

"The value of the shipment covered by this contract is fixed by the shipper at; which is accepted by the carrier as the real and true value thereof and the rate of freight is charged in accordance therewith, and the car-

rier assumes liability only to the extent of such valuation and no further.

.....
 “(Shipper’s Signature.)”

Carrier’s agents are required to insert these release clauses in bills of lading and require shipper’s signature thereto before applying the ratings conditioned upon declared or invoice valuations. In the Official Classification the form of release to be signed by shipper will be found in the separate description of articles, as in the case of Household Goods, etc.

The legal right of the carrier to condition ratings upon a limitation of its liability as a common carrier has been previously touched upon in this volume under the head of “Methods of Classifying Property.”

Before accepting and signing a released valuation clause on your goods, satisfy yourself that the rate or rating is properly conditioned on a declared or invoice valuation, as the law requires it shall be.

§ 37. Freight Receipted For Shipper’s Load and Count.

The Western Classification contains a rule that “freight loaded by shipper and not checked by carrier must be receipted for ‘Shipper’s Load and Count.’”

The carrier’s liability under such a notation on a bill of lading will be dealt with fully in a subsequent volume.

The carriers contend that it is unreasonable to demand clear receipts for carload freight loaded at warehouses or private sidings of shippers and that the practice would bring about an unnecessary increase in the cost of operation by reason of the necessary labor that would be required to check all carload freight loaded at such places as best suited the shipper’s convenience.

The ordinary bill of lading is a receipt for the quantity or weight of the goods received for shipment. This receipt, as between the original parties to the bill of lading, is *prima facie* evidence of the truth of the statements contained therein. Recitals of quantity and weight of the articles received are not, however, conclusive, and the carrier is not estopped from showing that the amount or quantity stated was never, in fact, delivered to him for transportation.

If conveniently accessible, reference may be made to the following text books in any law library:

Porter, on Bills of Lading; sect. 14, p. 9;

Hutchinson, on Carriers; 3d. ed. Sects. 157, 158, pp. 163, 164.

When, however, a bill of lading contains such qualifying words as "weight and contents not known," or words to like effect, the burden would be upon the shipper, in an alleged failure to deliver the whole amount shipped to show the quantity delivered for transportation.

The bill of lading, however, is something more than a contract between the carrier and the shipper. It is usually intended to constitute a representative of the goods, and stands for them, so that a transfer of the bill of lading is a transfer of the goods themselves, and therefore when a carrier issues a bill of lading containing a statement as to the quantity of goods received, with the understanding that the goods may be transferred by means of the transfer of the bill of lading, the transferee is justified in relying upon the representations of the carrier made in the bill with reference to the quantity of the goods received under it; and when a third party receives the bill in good faith, relying on the statement of quantity, and pays a consideration, the carrier is estopped from showing that it has not received the quantity of goods recited in the

bill of lading. To guard against such estoppel the carrier may insert in the bill of lading "quantity, weight, and contents unknown," or some like clause qualifying its representation and in that event it will not be liable to an assignee for the value if he delivers all the goods received.

The Interstate Commerce Commission dealt with the question of "shipper's load and count" in its investigation of Classification No. 51, and in the case of Ponchatoula Farmers' Association, Limited, vs. I. C. R. R. Co., 19 I. C. C. Rep., 513, 521. In the latter case it had this to say on the subject:

"Perishable articles, such as complainant ships, must be handled by the carrier with all possible dispatch in order to be properly marketed. To require the carrier in a traffic of this description to count the packages tendered for transportation would in many instances retard the shipment and impose an additional burden upon already overburdened station agents, without resulting in a compensating advantage to the shipper. Where the shipments are in straight or mixed carloads, which constitute a large majority of complainant's shipments, the cars are sealed at point of origin and should go to destination with seals unbroken. Upon the record the Commission can not say this practice is unreasonable or that it results in defeating the published rates."

At the time of its investigation of Western Classification No. 51, the Interstate Commerce Commission declined to make any recommendation with respect to the "shipper's load and count" rule in the Western Classification, because of pending legislation of Congress fixing the liability of carriers. I. C. C. Opinion No. 2110, 25 I. C. C. Rep., 442.

The "shipper's load and count" rule undoubtedly operates to the advantage of the carrier rather than the

shipper, for it eliminates the extra trouble and expense of a check clerk.

The "Pomerene Bill" (Senate Bill No. 6810) pending in Congress seeks to remedy this feature by providing "that when the goods are loaded by a shipper, at a place where the carrier maintains an agency, such carrier shall, on written request by shipper, and when given a reasonable opportunity by the shipper so to do, count the packages of goods, if package freight, and ascertain the kind and quality if bulk freight within a reasonable time after such written request; and such a carrier shall not, in such cases, insert in the bill of lading, 'shipper's load and count.' "

It is believed that if the carriers were to check each and every car before being sealed, thus placing the correctness of its contents entirely with them, or else be compelled to honor the shipper's load and count, if unable to furnish a checking clerk, all shipments would receive better care while being handled by the carriers, and shortages on car-load shipments would be materially decreased.

The legal effect of the words "shipper's load and count," inserted in a bill of lading or shipping receipt, is to place upon the shipper the burden of proving that the precise number and quantity of goods described in the bill of lading were actually delivered to the carrier and that in any claim for loss a number or quantity less was in fact transported and delivered by the carrier. These words do not limit the carrier's liability for any actual loss for which it otherwise would have been liable, but simply shift, in a measure, the burden of proof. The fact that cars arrive under original seals, while a circumstance favorable to the carrier, yet it, and the "shipper's load and count" stipulation, do not preclude the shipper from showing in case of loss or damage, that the loss proceeded from some cause which existed, but was not apparent, when the goods

reached their destination, and which, if shown to be satisfactory, will hold the carrier liable.

§ 38. Returned Empty Packages.

Many articles are shipped in containers which are returned, when emptied, to the original shipper or owner. Provision is made for the return of such empty carriers or packages by Rule 25 of the Western Classification now in effect:

“When empty packages are offered for shipment at the rates provided in this Classification for returned empty packages, the Agent must satisfy himself that they have been used, when filled, in the transportation of a regular consignment and that they are returned to the consignors of the original filled packages. If Agents have reason to believe that the packages, when filled, were originally forwarded by express, they will make a note to that effect on the waybill and charge at the regular rates for new packages.”

§ 39. Implements on Open Cars.

Shipments of implements and other commodities loaded on open cars must have all easily breakable and detached parts removed and boxed, and securely fastened to cars with metal straps or enclosed in implements.

While this rule appears formally in the rules section of the Western Classification only, its purpose is carried out in the separate description of articles in the other two interstate classifications.

§ 40. Freight Consigned “to Order.”

The Western Classification now contains the following formal rule governing the acceptance of shipments consigned “to order” of consignor or other person:

"The issuing of bills of lading for shipments consigned 'to order' will not be permitted, unless the name of the person, firm or corporation to whose order the shipment is consigned is plainly shown after the words 'to order'; and issuing bills of lading for freight consigned to shipper's order at one point, notifying consignee at another point, will not be permitted except where consignees are located at prepay stations or interior points, in which case freight must be consigned to an open station to be designated by shipper."

This rule is not formally carried in the rules sections of either the Official or Southern classifications.

The first portion of the rule is quite simple in its operation, merely requiring that substance shall be given to the effect of "to order" by actually writing the name of the person, firm or corporation to whose order the delivery of the shipment is made subject.

The latter part of the rule has been the subject of complaint among shippers, both because of discrimination resulting where carrier's agents fail to enforce the rule uniformly, and on account of unreasonable restriction of shipping because in certain lines of industry and business shippers find it necessary to consign goods to destinations at which they are not themselves located. The rule is of long standing among carriers, and has recently been passed upon by the Interstate Commerce Commission (December 1, 1913) when expressed in the following language in a tariff circular of an individual carrier—"Agents will decline to receive shipments of freight 'to order' to notify parties residing elsewhere than at point to which shipment is made"—and held to be not unreasonable nor otherwise in violation of the Act to Regulate Commerce. *Ludowici-Celadon Co. vs. Atlantic Coast Line R. R. Co.*, 28 I. C. C. Rep., 693-696.

The most serious complaint against this rule comes from shippers in the southeastern portion of the country, where the traffic is handled largely on card waybills containing condensed information as to points of origin, car numbers, contents, destinations, consignees, etc., and confusion results from efforts to show on such bills a notification point other than that of destination. The law places no duty on the carriers to notify consignees of the arrival of shipments at other than destination points, and for the Commission to require the carriers to establish a rule under which notice must be given to consignees at points other than the billed destination of the shipment would be to place upon them an extraordinary service neither required by the law nor demanded by any public interest.

§ 41. Interapplication of Iron and Steel Articles Ratings.

The Western Classification provides that "ratings shown in the classification for articles made of iron will apply on the same articles when made of steel, and 'vice versa.'"

The same effect is secured in many of the separate descriptions of articles in the other interstate classifications and tariffs.

§ 42. Freight Subject to Transfer.

The Western Classification provides that "all freight is subject to transfer en route as the necessity or convenience of the carriers require, and should be loaded in such a manner that it can be transferred and reloaded without injury."

The packing requirements and loading rules of carriers accomplish the result specifically required by the above rule. The law requires carriers to observe and enforce reasonable regulations and practices affecting the receipt, handling, transporting and delivery of property, and the

right undeniably rests with the carriers to transfer shipments from and to cars in such manner as will meet their convenience and facilitate transportation. Many carriers make specific provision for transfer en route in their various tariff publications. See

"Carriers in through route must transfer free if through cars not furnished," . . . Confr. Ruling 59, Bull. No. 6.

"Transfer of shipment from one car to two cars, demurrage only on one car," . . . Confr. Rulings 250(a), 273, Bull. No. 6.

"Transfer of shipment in transit," . . . Confr. Rulings 273, 274, 331, 339, 357, Bull. No. 6.

§ 43. Rates on Exhibits for Fairs or Expositions.

The Southern Classification provides a formal rule governing ratings on shipments consigned for exhibition at fairs or expositions. The rule reads:

"Shipments consigned for exhibition at national, state, county, or municipal fairs or expositions shall pay tariff rates from point of shipment to point of destination, and may be returned free via the same route, provided that they are returned within thirty days of the date of the close of the fair or exposition; and provided, further, that the reshipper files with the agent of the transportation line, at reshipping point, a certificate of some authorized official of the fair or exposition, that the shipment has been exhibited at said fair or exposition and has not changed ownership. The above will not apply on race-horses used for races, which shall pay regular rates in both directions."

The above rule of the Southern Classification will not apply to the return movement from fairs or expositions of shipments which have been sold at such exhibition points.

In the Western and Official classification territory this

matter is taken care of by exceptions to classification which must be referred to in order to determine the legal rate and in all cases where referred to by tariffs.

§ 44. Reduced Rates on Returned Shipments.

The Southern Classification provides that "articles broken or damaged in transit and ordered returned to shippers for repairs, or which, after being repaired, are re-shipped to original consignee, in accordance with instructions from the proper official of the carrier, will be transported free of charge, provided the shipment is returned by the same route by which it was originally forwarded. Reference to the original billing and also to such instructions must be shown on the billing."

While no similar formal rule is contained in the rules sections of either the Official or the Western classifications, it is the practice of carriers to embody in the tariff publications of individual lines, and Exceptions to Classifications, rules governing the return of damaged and repaired shipments.

The question of the legal right of carriers to transport property at reduced rates, or free, is one that has been given much consideration by the Interstate Commerce Commission and the attitude of the Commission is toward a strict adherence to the letter and spirit of the Act to Regulate Commerce. That any such rules permissible under the law must be published in due tariff form and strictly enforced is beyond question; but more important basic aspects of the question must be considered at a later time. See "Half-rate Transportation," Confr. Ruling 42, Bull. No. 6.

§45. Loading Cars in Excess of Safe Carrying Capacity.

It is a customary rule among the carriers to permit cars to be loaded to ten per cent in excess of the marked

capacity of cars as stenciled thereon. The Southern Classification requires that "cars must not be loaded in excess of their safe carrying capacity as prescribed by the rules of the various carriers."

To ascertain the safe carrying capacity of cars, therefore, it is necessary for you to refer to the regulations of individual lines governing their loading. The ten per cent excess rule is practically universal in its application.

§ 46. Shipments of Oil, Explosives, Hay, Straw and Empty Barrels, via Water Lines.

The Southern Classification contains two rules governing the shipment of oil, explosives, hay, straw, and empty barrels, by water lines, which are self-explanatory.

"Shipments by sea lines of camphene; chimogene, burning fluid, kerosene, naphtha, acids, spirits of turpentine, petroleum, gun powder, and all other explosives and lime, will only be taken at owner's risk by sail (or at steamer's option), and thence by rail through."

"Special arrangements, not in violation of established rates, must be made for the transportation of hay, straw, or empty barrels via water lines, as those articles are received only at ship's option."

§ 47. United States Government Regulation of Steamboat Service.

The Revised Statutes of the United States (Secs. 4278, 4279, 4472, 4473, 4475, 4476, 5353, 5354, and 5355) govern the transportation of persons and property in vessels plying within the jurisdiction of the national government. These sections of the statutes are set forth in the Southern Classification, but not in the Official and Western classifications, although of equal force and effect in the territories covered by them.

"Section 4278. It shall not be lawful to transport, carry or convey, ship, deliver on board, or cause to be delivered on board, the substance or article known or designated as nitroglycerine, or glynnoin oil, nitroleum, or blasting oil, or nitrated oil, or powder mixed with any such oil, or fibre saturated with any such article or substance, upon or in any vessel or vehicle used or employed in transporting passengers by land or water, between a place in any foreign country and a place within the limits of any State, Territory or District of the United States, or between a place in one State, Territory or District of the United States, and a place in any other State, Territory or District thereof.

"Section 4279. It shall not be lawful to ship, send or forward any quantity of the substances or articles named in the preceding section, or to transport, convey or carry the same by vessel or vehicle of any description upon land or water, between a place in a foreign country and a place within the United States, or between a place in one State, Territory or District of the United States, and a place in any other State, Territory or District thereof, unless the same shall be securely enclosed, deposited or packed in a metallic vessel surrounded by plaster of Paris, or other material that will be non-explosive when saturated with such oil or substances, and separate from all other substances, and the outside of the package containing the same to be marked, printed or labeled in a conspicuous manner with the words 'Nitro-glycerine; dangerous.'

"Section 4288. Any person shipping oil of vitriol, unslacked lime, inflammable matches, or gunpowder, in a vessel taking cargo for divers persons on freight, without delivering, at the time of shipment, a note in writing, expressing the nature and character of such merchandise, to the master, mate, officer, or person in charge of the lading

of the vessel, shall be liable to the United States in a penalty of one thousand dollars.

"Section 4472. No loose hay, loose cotton, or loose hemp, camphene, nitro-glycerin, naphtha, benzine, benzole, coal oil, crude or refined petroleum, or other like explosive burning fluids, or like dangerous articles, shall be carried as freight or used as stores on any steamer carrying passengers, nor shall baled cotton or hemp be carried on such steamers unless the bales are compactly pressed and thoroughly covered and secured in such manner as shall be prescribed by the regulations established by the Board of Supervising Inspectors with the approval of the Secretary of Commerce and Labor; nor shall gunpowder be carried on any such vessel except under special license; nor shall oil of vitriol, nitrate or other chemical acids be carried on such steamers except on the decks or guards thereof or in such other safe part of the vessel as shall be prescribed by the inspectors. Refined petroleum, which will not ignite at a temperature less than one hundred and ten degrees of Fahrenheit thermometer, may be carried on board such steamer upon routes where there is no other practicable mode of transporting it, and under such regulations as shall be prescribed by the Board of Supervising Inspectors with the approval of the Secretary of Commerce and Labor; and oil or spirits of turpentine may be carried on such steamers when put up in good metallic vessels or casks or barrels well and securely bound with iron and stowed in a secure part of the vessel; and friction matches may be carried on such steamers when securely packed in strong tight chests or boxes, the covers of which shall be well secured by locks, screws, or other reliable fastenings, and stowed in a safe part of the vessel at a secure distance from any fire or heat.

"All such other provisions shall be made on every

steamer carrying passengers or freight, to guard against and extinguish fires as shall be prescribed by the Board of Supervising Inspectors and approved by the Secretary of Commerce and Labor. Nothing in the foregoing or following sections of this Act shall prohibit the transportation by steam vessels of gasoline or any of the products of petroleum when carried by motor vehicles (commonly known as automobiles) using the same as a source of motive power: *Provided, however,* That all fire, if any, in such vehicles or automobiles be extinguished immediately after entering the said vessel, and that the same shall not be relighted until immediately before said vehicle shall leave the vessel: *Provided, further,* That any owner, master, agent, or other person having charge of passenger steam vessels shall have the right to refuse to transport automobile vehicles the tanks of which contain gasoline, naphtha, or other dangerous burning fluids.

“Provided, however, That nothing in the provisions of this Title shall prohibit the transportation by vessels not carrying passengers for hire, of gasoline or any of the products of petroleum for use as a source of motive power for the motor boats or launches of such vessels.

“Section 4473. Every bale of cotton or hemp that shall be shipped or carried on any passenger steamer, without conforming to the provisions of the preceding section, shall be subject to a penalty of five dollars, and shall be liable to seizure and sale to secure the payment of such penalty.

“Section 4475. All gunpowder, nitro-glycerin, camphene, naphtha, benzine, benzole, coal oil, crude or refined petroleum, oil of vitriol, nitric or other chemical acids, oil or spirits of turpentine, friction matches, and all other articles of like character, when packed or put up for shipment, shall be securely packed and put up separately from each other, and from all other articles; and the package, box,

cask, or other vessel containing the same shall be distinctly marked on the outside with the name and description of the articles contained therein.

"It shall be unlawful to transport, carry, or convey, liquid nitro-glycerin, fulminate in bulk in dry condition, or other like explosive, between a place in a foreign country and a place within or subject to the jurisdiction of the United States, or between a place in one State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, and a place in any other State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, on any vessel or vehicle of any description operated by a common carrier in the transportation of passengers or articles of commerce by land or water.

"Section 4476. Every person who packs or puts up, or causes to be packed or put up for shipment, any gunpowder, nitro-glycerin, camphene, naphtha, benzine, benzole, coal oil, crude or refined petroleum, oil of vitriol, nitric or other chemical acids, oil or spirits of turpentine, friction matches, or other articles of like character, otherwise than as directed by the preceding section, or who knowingly ships or attempts to ship the same, or deliver the same to any such vessels as stores, unless duly packed and marked, shall be deemed guilty of misdemeanor, and punished by a fine not exceeding two thousand dollars, or imprisonment not exceeding eighteen months, or both; one-half of the fine to go to the informer, and the articles to be liable to seizure and forfeiture.

"Section 232. It shall be unlawful to transport, carry or convey, any dynamite, gunpowder, or other explosive, between a place in a foreign country and a place within or subject to the jurisdiction of the United States, or between a place in any State, Territory, or District of the United

States, or place noncontiguous to but subject to the jurisdiction thereof, and a place in any other State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, on any vessel or vehicle of any description operated by a common carrier, which vessel or vehicle is carrying passengers for hire: *Provided*, That it shall be lawful to transport on any such vessel or vehicle small arms, ammunition in any quantity, and such fuses, torpedoes, rockets, or other signal devices, as may be essential to promote safety in operation, and properly packed and marked samples of explosives for laboratory examination, not exceeding a net weight of one-half pound each, and not exceeding twenty samples at one time in a single vessel or vehicle; but such samples shall not be carried in that part of a vessel or vehicle which is intended for the transportation of passengers for hire: *Provided, further*, That nothing in this section shall be construed to prevent the transportation of military or naval forces with their accompanying munitions of war on passenger equipment vessels or vehicles.

"Section 233. The Interstate Commerce Commission shall formulate regulations for the safe transportation of explosives which shall be binding upon all common carriers engaged in interstate or foreign commerce which transport explosives by land. Said Commission, of its own motion, or upon application made by any interested party, may make changes or modifications in such regulations, made desirable by new information or altered conditions. Such regulations shall be in accord with the best known practicable means for securing safety in transit, covering the packing, marking, loading, handling while in transit, and the precautions necessary to determine whether the material when offered is in proper condition to transport. Such regulations, as well as all changes or modifications

thereof, shall take effect ninety days after their formulation, and publication by said Commission and shall be in effect until reversed, set aside, or modified.

"Section 235. Every package containing explosives or other dangerous articles when presented to a common carrier for shipment shall have plainly marked on the outside thereof the contents thereof; and it shall be unlawful for any person to deliver, or cause to be delivered, to any common carrier engaged in interstate or foreign commerce by land or water, for interstate or foreign transportation, or to carry upon any vessel or vehicle engaged in interstate or foreign transportation, any explosive, or other dangerous article, under any false or deceptive marking, description, invoice, shipping order, or other declaration, or without informing the agent of such carrier of the true character thereof, at or before the time such delivery or carriage is made. Whoever shall knowingly violate, or cause to be violated, any provision of this section, or of the three sections last preceding, or any regulation made by the Interstate Commerce Commission in pursuance thereof, shall be fined not more than two thousand dollars, or imprisoned not more than eighteen months, or both.

"Section 236. When the death or bodily injury of any person is caused by the explosion of any article named in the four sections last preceding, while the same is being placed upon any vessel or vehicle to be transported in violation thereof, or while the same is being so transported, or while the same is being removed from such vessel or vehicle, the person knowingly placing, or aiding or permitting the placing, of such articles upon any such vessel or vehicle, to be so transported, shall be imprisoned not more than ten years."

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